

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATURE 3rd CALLED SESSION -2003

September 17, 2003

TO: Honorable Teel Bivins, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: **HB7** by Swinford (Relating to the reorganization of, efficiency in, and other reform measures applying to state government.), **As Engrossed**

Estimated Two -year Net Impact to General Revenue Related Funds for HB7, As Engrossed: a negative impact of (\$107,000,000) through the biennium ending August 31, 2005.

The bill would make an appropriation.

Appropriations:

Fiscal Year	Appropriation out of GENERAL REVENUE FUND 1
2004	\$60,000,000
2005	\$60,000,000

General Revenue -Related Funds, Five -Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$56,750,000)
2005	(\$50,250,000)
2006	(\$1,625,000)
2007	(\$1,625,000)
2008	\$0

All Funds, Five -Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Savings from USED OIL RECYCLE ACCT 146	Probable Savings from CLEAN AIR ACCOUNT 151	Probable Savings from HAZARDOUS/WASTE FEE ACCT 549
2004	(\$56,750,000)	\$55,555	\$55,555	\$388,890
2005	(\$50,250,000)	\$55,555	\$55,555	\$388,890
2006	(\$1,625,000)	\$55,555	\$55,555	\$388,890
2007	(\$1,625,000)	\$55,555	\$55,555	\$388,890
2008	\$0	\$55,555	\$55,555	\$388,890

Fiscal Year	Change in Number of State Employees from FY 2003
2004	(10.0)
2005	(10.0)
2006	(10.0)
2007	(10.0)
2008	(10.0)

Fiscal Analysis

The bill would amend various state and local government budgetary and fiscal management statutes. For the purposes of this fiscal note, only those bill provisions having a fiscal impact are discussed.

Article 1 repeals those provisions of Rider 11 under Fiscal Programs - Comptroller of Public Accounts in the General Appropriations Act for the 2004 - 05 biennium that placed a restriction of \$250,000 on certain tax refunds (and any associated interest, costs and attorney fees) payable by the Comptroller.

Article 2 would define the period after which unclaimed wages would become abandoned for the purposes of becoming state - claimed unclaimed property.

Article 3 states that certain property distributable in the course of a demutualization, rehabilitation, or related reorganization of an insurance company would be presumed abandoned on the first anniversary of the date the property becomes distributable.

Article 8 would eliminate a requirement for a local solid waste management plant to include waste reduction goals. The article would also eliminate numerous reports currently required as stand - alone reports, including: used oil recycling, low - emission vehicles and alternative fuels use, and numerous reports on waste prevention, management, and disposal.

Methodology

The Comptroller of Public Accounts estimated that the savings over the 2004 - 05 biennium from not having to pay refunds over \$250,000 was \$60,000,000 in each of fiscal 2004 and fiscal 2005. That savings would no longer occur upon the lifting of the \$250,000 restriction. Further, those revenues would be then appropriated to the Comptroller and set aside for the payment of the affected refunds.

The change in dates after which unclaimed wages would become abandoned for the purposes of becoming state - claimed unclaimed property is estimated to result in a general revenue gain of approximately \$6,500,000 in fiscal year 2005.

The state receives revenue from its role as custodian of unclaimed property. The change in date that property is considered abandoned would result in an acceleration of revenue collected from abandoned property as a result of an insurance company demutualization. The annual estimated general revenue gain is \$3,250,000 for fiscal years 2004 and 2005. Annual estimated revenue losses for fiscal years 2006 and 2007 are estimated to be \$1,625,000. However, future demutualizations are expected to partially offset these amounts.

The reduction in the number and frequency of required reports prepared by the Commission on Environmental Quality is expected to reduce costs of personnel time and printing. The proposed article is projected to result in a total cost saving to the agency of \$500,000 per year by reducing 10 full-time staff positions and miscellaneous printing expenses.

Local Government Impact

Minimal direct fiscal implications to units of local government are anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBBStaff: JK,JO,WP,SD,GO,DLBe