

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**March 7, 2003**

**TO:** Honorable Kenny Marchant, Chair, House Committee on State Affairs

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB426** by Christian (Relating to the adoption of state agency rules that impose certain costs on local governments or persons.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Chapter 2001, Government Code, to prohibit state agencies from adopting rules that would impose additional costs on local governments for enforcing or administering the rule or a rule that would likely result in costs to persons required to comply with the rule, unless the rule(s) were specifically authorized by the legislature.

The bill would take effect September 1, 2003 and would apply only to rules proposed by a state agency for which notice is given under Section 2001.023, Government Code, on or after December 1, 2003.

State agencies might have to assume responsibility for what otherwise may have been required of local governments, and therefore any associated costs; however, it is anticipated that agencies would make adjustments so that the agency could absorb costs using existing resources.

**Local Government Impact**

Local governments would be protected from additional costs, although to what extent would depend on what a state agency may have otherwise required of the local governments.

**Source Agencies:** 304 Comptroller Of Public Accounts

**LBB Staff:** JK, RR, JB, DLBa