

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 1, 2003

TO: Honorable Ron Wilson, Chair, House Committee on Ways & Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB782 by Grusendorf (Relating to the comptroller entering into an agreement with a credit or debit card issuer for the benefit of public schools.), **As Introduced**

There could be a revenue gain to public school districts. To the degree that money is not designated to a particular school district, there would be a revenue gain to the state.

The bill would amend Subchapter B, Chapter 403 of the Government Code to authorize the Comptroller to contract with a credit or debit card issuer. The purpose would be to issue cards that would benefit public schools. Under the contract, the issuer would have to pay the Comptroller's Office an amount of money based on the use of the card. The contract would have to allow the cardholder to designate a specific school district as the recipient of the money generated by the cardholder's card. If the cardholder failed to designate a recipient, the money received would be deposited to GR Account 0193—Foundation School. The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

The bill would implement recommendation GG 33 from the Comptroller's *e-Texas* report, *Limited Government, Unlimited Opportunity* to create an "affinity credit card" to support public schools. By way of example, the report illustrated a potential revenue gain to public schools:

"Texans' unique sense of identification with their state could provide a large market for a Texas affinity card and yield significant money to support education. For example, the Texas Parent Teacher Association has 750,000 members in Texas. Assuming a rebate of one percent of each transaction, if 20 percent of the members used a card at the average rate of \$3,500 per year, the card would yield nearly \$5.3 million annually for schools."

Local Government Impact

The potential revenue gain to local governments is illustrated above.

Source Agencies: 304 Comptroller of Public Accounts, 701 Central Education Agency

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