

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 10, 2003

TO: Honorable Glenn Lewis, Chair, House Committee on County Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR91 by Lewis (Proposing a constitutional amendment allowing a state mandate imposed on a county to have effect only if the state provides for the payment to the county of the cost of the mandate.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$85,275.

The resolution would propose a constitutional amendment that would prevent a state mandate imposed on a county, whether through legislation or agency rule, that would create a cost for a county from having an effect unless the state provides funding to cover the costs of the mandate. If the resolution passes, the provisions of the amendment would apply only to mandates adopted on or after January 1, 2004. Excepted from provisions of the amendment would be mandates imposed to comply with a requirement of the Texas constitution, federal law, a court order, or approved by the voters of the state at a general election. Also excepted from the provisions of the amendment would be a statute enacted by a record vote of two-thirds of the members elected in each legislative house that expressly provides that the mandate is not subject to the proposed Section 66, Article III, Texas Constitution, or if the legislature or a legislative agency estimates that the aggregated costs to be incurred by counties would not exceed \$1 million in a state fiscal year. The proposed amendment would be submitted to the voters at an election to be held November 4, 2003.

Fiscal impact to the state if the resolution passes is indicated in the box above.

If the resolution passes, placing the proposed amendment on the November 4, 2003 ballot, and if the amendment is adopted by the voters, with certain exceptions, the state would be required to fund all mandates placed on counties by the state. This would result in additional costs to the state that would vary, depending on what the requirements might be and how many such mandates there might be, but the total costs would not exceed \$1 million per mandate in a state fiscal year.

Conversely, if the amendment is adopted by the voters, counties would avoid incurring additional expenses for unfunded mandates that exceed aggregated costs of \$1 million, which would result in a savings. The level of savings would depend on what requirements would have otherwise been imposed. For unfunded mandates that are imposed, if \$1 million were to be spread evenly among the 254 counties, the additional cost to the counties would be \$3,937 each.

Local Government Impact

If the resolution is implemented and the voters adopt the constitutional amendment, counties would experience a savings that would vary depending on the requirement, but would be expected to be cumulatively significant.

Source Agencies:

LBB Staff: JK, JO, JB, DLBa