

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 31, 2003

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB463 by Janek (Relating to structures that constitute insurable property under the Texas Windstorm Insurance Association.), **Conference Committee Report**

<p>No significant fiscal implication to the State is anticipated.</p>
--

The bill would allow structures, including multifamily residences and hotels and resorts, in the federal Coastal Barrier Resources Zone started before January 1, 2003 to purchase insurance through the Texas Windstorm Insurance Association. Current law is limited to such structures started before July 1, 1991.

Under this bill additional structures would be eligible to purchase insurance. According to the Comptroller's office, if an event such as a hurricane occurred, many conditions would have to be met before an impact on General Revenue would be realized: many insured structures would need to be damaged, and the damage would need to be so severe as to trigger Catastrophe Pool assessments, which could then be taken as credits against insurance premium taxes.

The Department of Insurance indicates that costs associated with the bill would be absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 454 Department of Insurance

LBB Staff: JK, JRO, RR, RT, RB, WP, DLBe