

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 29, 2003

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB782 by Armbrister (Relating to the authority of a county or municipality to contract for collection services in criminal cases and certain cases involving the parking or stopping of motor vehicles.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would authorize a county or municipality to enter into a contract for collection services in criminal cases and certain cases involving the parking or stopping of motor vehicles. In a municipality with a population of more than 1.9 million (City of Houston), collection fees in amounts authorized for paying a private attorney or private vendor for collection services may be added to collections performed by employees of the governing body.

The bill would also amend the Local Government Code as it pertains to the creation and taxes of a library district in a municipality that does not have a municipal public library accredited for membership in the state library system. An election to adopt or increase the local sales and use tax for a library district would be treated also as an election to reduce the tax rate of an industrial development district if, after the date of the first filing of a petition with the county commissioners court to create a library district, any part of the proposed library district were to be within the boundaries of an industrial development 4B corporation and if the combined tax rate resulting from the election were to exceed 2 percent in any location within the proposed district. The tax rate of the industrial development 4B corporation would be reduced proportionately to the rate for the library district so that the combined rate would not exceed 2 percent.

The bill would take effect immediately if it receives a two-thirds vote in each house; otherwise, it would take effect September 1, 2003.

Municipalities and counties contacted by the Comptroller of Public Accounts and the Texas Municipal League regarding collection services reported that the fiscal impact would be positive.

The City of Houston estimates implementation of the provisions of the bill would generate approximately \$1 million in collections annually for the city. This amount does not include additional fees collected when the city's staff perform the collection function rather than a private attorney or contract vendor.

The City of Amarillo estimates an additional \$750,000 would be collected the first year of implementation and approximately \$200,000 each year thereafter. The City of Mesquite estimates implementation would result in an additional \$40,000 collected annually.

Travis County does not take additional collection actions of unpaid fines and fees other than probation revocations; therefore, that county would have no fiscal impact. Dallas County reports that the provisions of the bill would have a positive fiscal impact.

The provisions of the bill related to the creation and taxes of a library district would place certain requirements on the Comptroller of Public Accounts; however, it is anticipated that the agency could implement the provisions using existing resources.

Because the bill would shift taxes between local taxing units, there would be no significant fiscal impact on the combined local tax revenue. The 4B development district could lose a portion of its tax revenue as an individual taxing unit.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts

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