

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: SB1059 by Ellis, Rodney (Relating to corporate ethics and integrity; providing penalties.),
Conference Committee Report

No significant fiscal implication to the State is anticipated.

The bill creates a corporate integrity unit at the Office of the Attorney General to assist district attorneys, county attorneys, state agencies with investigation, prosecution and administrative enforcement of corporate fraud investigations and other similar illegal activities and serve as a state clearinghouse for such information.

The bill adds (a) Section 402.0231 to the Government Code relating to the creation of a corporate integrity unit at the Office of the Attorney General, (b) Section 2252.904 to the Government Code relating to contracts with companies and financial statements, and (c) Chapter 2263 to the Government Code relating to ethics and disclosure requirements for outside financial advisors and service providers.

Initial rules must be adopted in time for the rules to take effect not later than January 1, 2004. The Act takes effect on September 1, 2003.

Local Government Impact

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

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 307 Secretary of State, 308 State Auditor's Office, 323 Teacher Retirement System, 327 Employees Retirement System, 701 Central Education Agency

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