

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**March 30, 2005**

**TO:** Honorable Frank Corte, Jr., Chair, House Committee on Defense Affairs & State-Federal Relations

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB1150** by Flores (Relating to reimbursement of certain group life insurance premiums paid by certain members of the Texas National Guard.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1150, As Introduced: a negative impact of (\$1,560,000) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

| <b>Fiscal Year</b> | <b>Probable Net Positive/(Negative)<br/>Impact to General Revenue Related<br/>Funds</b> |
|--------------------|---|
| 2006               | (\$780,000)   |
| 2007               | (\$780,000)   |
| 2008               | (\$780,000)   |
| 2009               | (\$780,000)   |
| 2010               | (\$780,000)   |

**All Funds, Five-Year Impact:**

| <b>Fiscal Year</b> | <b>Probable (Cost) from<br/>GENERAL REVENUE FUND<br/>1</b> |
|--------------------|--|
| 2006               | (\$780,000)  |
| 2007               | (\$780,000)  |
| 2008               | (\$780,000)  |
| 2009               | (\$780,000)  |
| 2010               | (\$780,000)  |

**Fiscal Analysis**

The bill would amend the Government Code to require the Comptroller to create the Texas National Guard members' life insurance reimbursement account in the General Revenue Fund. The bill would require that funds in the account be used only for the purpose of reimbursing Texas National Guard members' payments toward servicemembers' group life insurance policies while deployed to a hostile fire zone. The bill would require reimbursement of premiums paid to the servicemembers' group life insurance program for Texas National Guard members deployed to hostile fire zones. The bill would take effect immediately if it receives a vote of two-thirds of all members of each house, or September 1, 2005.

## **Methodology**

The annual cost of the bill is estimated to be \$780,000. In fiscal year 2004, approximately 4,000 Texas National Guard members were deployed to a hostile fire zone. A full year of maximum coverage under the Servicemembers' Group Life Insurance costs \$195 (12 months multiplied by \$16.25). This cost estimate assumes that hostile fire zone deployment levels remain the same and that all Texas National Guard members would request the full amount of coverage.

The bill would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. Therefore, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 301 Office of the Governor, 304 Comptroller of Public Accounts, 401 Adjutant General's Department, 406 Texas Military Facilities Commission

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