

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 19, 2005

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: HB1655 by Keffer, Jim (Relating to funding for the Texas statewide emergency services personnel retirement fund.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1655, As Engrossed: a negative impact of (\$13,400,000) 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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$6,700,000)
2007	(\$6,700,000)
2008	\$0
2009	\$0
2010	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from GENERAL REVENUE FUND 1	Probable Revenue Gain from EMS PERSONNEL RETIREMENT TRUST FUND 976
2006	(\$6,700,000)	\$6,700,000
2007	(\$6,700,000)	\$6,700,000
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0

Fiscal Analysis

The bill would amend Chapter 221 of the Insurance Code, relating to the funding of the Texas Statewide Emergency Services Personnel Retirement Fund 0976.

The bill would allocate to Fund 0976, in each year of the 2006-07 biennium, \$6,700,000 of the insurance premium tax receipts attributable to fire insurance and allied lines. The allocations would be made on or before March 15 of each year.

The provisions of this bill would expire December 31, 2007.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-

thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2005.

Methodology

The Texas Constitution, Article VII, Section 3 dedicates 25 percent of the revenue derived from occupation taxes to GR Account 0193—Foundation School. The premium tax on property and casualty insurance, which includes fire and allied lines, is an occupation tax. As such, 25 percent of its proceeds are allocated to GR Account 0193, meaning that the allocations of premium tax revenues to Fund 0976, while calculated from total collections, would be drawn only from the General Revenue Fund 0001.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with 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: 304 Comptroller of Public Accounts, 325 Fire Fighters' Pension Commissioner
LBB Staff: JOB, SD, SR, WP, DLBe