

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 22, 2005

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

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

IN RE: HB2233 by Keffer, Jim (Relating to state and certain local fiscal matters; providing a penalty.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2233, Committee Report 2nd House, Substituted: a negative impact of (\$728,000) through the biennium ending August 31, 2007.

The following table assumes an effective date of October 1, 2005.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$4,402,000)
2007	\$3,674,000
2008	\$4,055,000
2009	\$4,446,000
2010	\$4,850,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2006	(\$4,402,000)
2007	\$3,674,000
2008	\$4,055,000
2009	\$4,446,000
2010	\$4,850,000

Fiscal Analysis

The bill would amend numerous provisions of the Civil Practices and Remedies Code, Code of Criminal Procedure, Education Code, Government Code, Health and Safety Code, Insurance Code, Local Government Code, Probate Code, Property Code, Tax Code, Transportation Code, and the Utilities Code relating to state fiscal matters. The bill would provide clarification on numerous issues concerning the Comptroller's administrative duties, government accounting practices, and reporting requirements.

Assuming that it received the requisite two-thirds majority votes in both houses of the Legislature, this bill would take effect immediately upon enactment with the following exceptions: Section 43.002 of the Education Code, Sections 659.255, 659.256, 659.257, 2303.401, 2303.4072, 2303.504, 2303.516, and 2303.517 of the Government Code, Sections 101.001, 101.005, 101.053, 101.201, 101.203,

101.301, 225.002, 226.001-226.003, 226.005, 226.052, 981.002, 981.004, 981.005, 981.006, 981.008, 981.101, 981.104, and 981.160 of the Insurance Code, and Sections 151.429, 151.4291, 151.715, 171.721, 171.751, 171.7542, and 171.801-171.804 of the Tax Code which would take effect September 1, 2005.

Otherwise Section 103.0031 of the Code of Criminal Procedure; Sections 25.0015, 25.00211, 26.007, 74.061, 403.071, 404.024, 660.024, 660.027, 2256.011, and 2256.016 of the Government Code; Section 433 of the Probate Code; and Sections 74.101, 74.401, 74.507, 74.601 of the Property Code; and Section 623.052 of the Transportation Code would take effect September 1, 2005 and all remaining sections would take effect on the 91st day after the last day of the legislative session.

Methodology

Sections 13 and 14 of the bill would amend Chapter 2107 and 2254 of the Government code relating to contracts for the outside collection of agency delinquencies. The Comptroller of Public Accounts reports that the fiscal impact of Sections 13 and 14 is estimated to be a gain of \$4 million in FY 2006 and \$12.7 million in FY 2007.

Sections 29-47 would amend the Health and Safety Code relating to the Department of Aging and Disabilities licensing fees and renewal dates. The Comptroller reported that the fiscal impact could not be determined.

Sections 119 and 120 of the bill would amend Section 151.429 of the Tax Code relating to eligible tax refunds for an enterprise project and a defense readjustment project. The Comptroller reports that the fiscal impact of Sections 119 and 120 is estimated to be a loss of \$500,000 in FY 2006 and a \$1 million per year in the subsequent years.

Sections 121-128 of the bill would clarify various issues on state fiscal matters and would expand the area of the state eligible for sales and franchise tax credits to include additional federally designated zones and amend other provisions relating to enterprise projects. The Comptroller of Public Accounts reports that the fiscal impact of Sections 121-128 is estimated to be a loss of \$8 million per year, starting in FY 2006.

The remaining sections of the bill have no fiscal impact or no significant fiscal impact.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 327 Employees Retirement System, 701 Central Education Agency

LBB Staff: JOB, SD, WP, EB, KJG