

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

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

**April 15, 2005**

**TO:** Honorable John T. Smithee, Chair, House Committee on Insurance

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

**IN RE: HB2551** by Smithee (Relating to the subrogation interests of certain political subdivisions or carriers providing reinsurance for subdivisions.), **As Introduced**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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The bill would amend Section 172.015 of the Local Government Code to allow the payor of employee benefits to recover the amount of the payor's subrogation interest. If the amount recovered is greater than the amount of the payor's subrogation interest, the balance of the recovery is paid to the covered employee.

The bill would take effect September 1, 2005 and would apply only to a cause of action that accrues on or after the effective date of the Act. An action that accrued before the effective date of this Act is governed by the law applicable to the action immediately before the effective date of this Act.

**Local Government Impact**

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

**Source Agencies:** 327 Employees Retirement System

**LBB Staff:** JOB, JRO, JB, KJG