

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 21, 2005

TO: Honorable Mary Denny, Chair, House Committee on Elections

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

IN RE: HB2937 by Strama (Relating to limits on political contributions and expenditures in connection with certain legislative and executive offices; providing civil and criminal penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2937, As Introduced: a negative impact of (\$116,317) 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	(\$61,841)
2007	(\$54,476)
2008	(\$54,476)
2009	(\$54,476)
2010	(\$54,476)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2005
2006	(\$61,841)	1.0
2007	(\$54,476)	1.0
2008	(\$54,476)	1.0
2009	(\$54,476)	1.0
2010	(\$54,476)	1.0

Fiscal Analysis

The bill would impose limits on political contributions for an election cycle, on reimbursement of personal funds, and restrictions on expenditures by third parties. The bill would apply to statewide executive branch offices, state senators, state representatives and the state board of education.

Methodology

The bill would require the Texas Ethics Commission to conduct formal hearings prior to imposing a civil penalty. The agency estimates that approximately 15 formal hearings would be conducted per fiscal year as a result. This estimate assumes that the agency would need an additional attorney related to this function at approximately \$50,000 per fiscal year. In addition, approximately \$11,841 in the

first year for furniture, office space, computer and computer related equipment, and other related operating costs. Approximately \$4,476 would be needed each fiscal year thereafter for consumable supplies, telephone charges, and other related operating costs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 356 Texas Ethics Commission

LBB Staff: JOB, LB, JM