

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 9, 2007**

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

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

**IN RE: HB1226** by Smithee (Relating to the subrogation interests of certain political subdivisions or insurance carriers providing reinsurance for subdivisions.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend Section 172.015, Local Government Code, to provide that in a third party recovery action, a payor of employee benefits would not be charged a fee for recovery of interest that exceeds one-third of the payor's recovery.

**Local Government Impact**

The fiscal impact to local governmental entities would vary depending on the number of applicable cases and amounts of recovery; however, the fiscal impact is not expected to be significant. For example, according to estimates by the Texas Association of Counties, there would be a statewide cost to counties in the aggregate of approximately \$250,000.

**Source Agencies:**

**LBB Staff:** JOB, JRO, DB