

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 20, 2007

TO: Honorable Joe Deshotel, Chair, House Committee on Economic Development

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

IN RE: HB2866 by Swinford (Relating to liability for obtaining improper unemployment compensation benefits.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Labor Code relating to liability for obtaining improper unemployment compensation benefits. Based on the analysis by the Texas Workforce Commission (TWC) there will be no fiscal implication to the agency.

TWC estimates there would be a small increase in improperly paid benefits returned to the Unemployment Insurance (UI) Trust fund since the number of improperly paid benefits caused by agency error, which are currently uncollectible, represents only a small fraction of total overpayments. According to TWC, this small increase represents UI Trust Fund savings of \$25,058 in fiscal year 2008, \$25,706 in fiscal year 2009, \$27,651 in fiscal year 2010, \$27,878 in fiscal year 2011, and \$28,753 in fiscal year 2012, totaling \$135,046 over the five-year period. The UI Trust Fund is not in the state treasury.

This bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JOB, JRO, MW, NV