

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

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

**April 3, 2007**

**TO:** Honorable David Swinford, Chair, House Committee on State Affairs

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

**IN RE: HB3365** by Farrar (Relating to the employment by state and local governmental entities of individuals who have been convicted of crimes.), **As Introduced**

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

The bill would amend statute and provide for the immediate termination of an employee with the local or state government if the employee is convicted of a criminal offense, any element of which arises from the employee's actions that occurred during the employee's employment with the state or local government entity. The Office of the Attorney General indicates that additional cases and investigations may arise resulting from the provisions of the bill; however, any additional costs could be absorbed within existing state resources.

**Local Government Impact**

Cities, counties, municipal associations, and county organizations reported that costs would vary widely depending on the number of employees, the types of offenses committed, and the number of criminal background checks required due to turnover.

The City of Austin reported that implementing the provisions of the bill would require five new employees at an initial cost of \$303,802 in fiscal year 2008. Additional costs for capital outlay, new operational costs, and the required background checks would raise the expenditures to \$463,122. By fiscal year 2012, the costs would be \$520,037.

Harris County reported initial minimum costs of \$10,000 per year in fiscal years 2008 through 2012 for background checks. Montgomery County's costs for background checks would be \$22,750 in fiscal year 2008, rising to \$27,653 in fiscal year 2012.

The Texas Association of Counties reported that the provisions of the bill could be costly for counties with high turnover rates because of the criminal background check requirement. The cost of an in-state versus out-of-state background check is also a factor: a standard check from the Department of Public Safety is approximately \$20; information about costs in other states was not available.

The Texas Municipal League stated that the cost would be impossible to reliably determine.

The cities of Carrollton and Sherman reported that there would be no significant fiscal impact to implement the provisions of the bill.

**Source Agencies:** 302 Office of the Attorney General

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