

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 31, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: SB242 by Shapiro (Relating to contested cases involving the collection, administration, and enforcement of certain taxes and fees.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Tax Code and Government Code to create a tax division at the State Office of Administrative Hearings (SOAH) and transfer the tax hearings from the Comptroller of Public Accounts (CPA) to SOAH. The bill lists the types of cases subject to the provisions of this bill; the employment requirements of the administrative law judges which will hear these cases; and provides for sanctions against parties who file either a motion or pleading which is groundless. The bill would require SOAH to charge the CPA a fixed annual fee rather than an hourly rate for services rendered by the tax division to the CPA in a manner prescribed by the bill. The bill would also require SOAH and the CPA to negotiate the amount of the fixed fee biennially to coincide with the CPA's legislative appropriations request.

Based on information provided by SOAH and the CPA, this analysis assumes there will be an Interagency Contract established between SOAH and the CPA in the amount of \$785,559 beginning in fiscal year 2008 and continuing each subsequent fiscal year. It is also assumed that 7.0 FTEs would be transferred to SOAH from the CPA for administrative law judge positions to implement the provisions of the bill. This analysis assumes there will be no significant fiscal impact to the state as a result of this transfer.

The bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 360 State Office of Administrative Hearings

LBB Staff: JOB, CT, MW, AH