

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 8, 2009**

**TO:** Honorable Pete Gallego, Chair, House Committee on Criminal Jurisprudence

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

**IN RE: HB3207** by Edwards (Relating to the administration of the compensation to victims of crime fund and the compensation to victims of crime auxiliary fund.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3207, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>Crime Victims Comp Acct</i> 469	Probable Savings/(Cost) from <i>Crime Victims Aux Acct</i> 494
2010	\$0	\$0
2011	\$7,663,000	(\$7,663,000)
2012	\$4,811,000	(\$4,811,000)
2013	\$3,414,000	(\$3,414,000)
2014	\$2,784,000	(\$2,784,000)

**Fiscal Analysis**

This bill would implement recommendations from the Legislative Budget Board's *2009 Government Effectiveness and Efficiency Report* entitled "Strengthen the Solvency of the Compensation to Victims of Crime Fund."

This bill would amend the Code of Criminal Procedure, Article 56.54 by adding Subsection (m) which would permit an annual transfer from the Compensation to Victims of Crime Auxiliary Fund (GR-Account 494) to the Compensation to Victims of Crime (CVC) Fund (GR-Account 469) to be used for victim compensation. This transfer would occur at the beginning of each fiscal year, beginning in fiscal year 2011. The bill would permit a transfer of up to 50 percent of the end of fiscal year fund balance that exceeds \$5.0 million.

This bill would also amend the Code of Criminal Procedure, Article 56.541(b) to create a reserve within the Compensation to Victims of Crime (CVC) Fund (GR-Account 469) that is equal to 5 percent of the amounts needed for victim compensation as estimated by the Attorney General for its biennial certification of the CVC Fund. This reserve would be set aside for victim compensation and could not be appropriated. The effective date of the bill is September 1, 2009 and therefore this reserve would not impact the certification process until December 2010 when the Attorney General would complete the biennial CVC Fund certification for the 2012-13 biennium.

### **Methodology**

The estimates provided in the table above relate to the transfer of funds from the Compensation to Victims of Crime Auxiliary Fund (GR-Account 494) to the Compensation to Victims of Crime (CVC) Fund (GR-Account 469). The comptroller provided these estimates based on current law, the fiscal year 2008 ending fund balance in the Auxiliary Fund of \$17.1 million, and restitution deposits and interest earnings of \$1.2 million per year for 2009-2011. The comptroller also accounted for minimal appropriations and miscellaneous transfers from the Auxiliary Fund.

The House Committee Substitute for Senate Bill 1 appropriates \$15.0 million from the Auxiliary Fund to the Office of the Attorney General (OAG) in fiscal year 2010 for victim compensation. This appropriation (along with fund deposits, interest earnings, and other expenditures from the fund) would result in an estimated end of fiscal year Auxiliary Fund balance of \$4.5 million for fiscal year 2010. Since this estimated amount is below the \$5.0 million minimum required by the bill for a transfer, it is anticipated that there would not be a transfer at the beginning of fiscal year 2011. Starting in fiscal year 2012, it is anticipated that transfers would begin and would equal the following estimated amounts by fiscal year: \$369,338 in 2012; \$803,724 in 2013; and \$1,031,776 in 2014.

The OAG estimates that the CVC Fund 5 percent reserve created by the bill would reduce the certification of excess funds by \$3.0 million per year for fiscal years 2012 to 2014.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 304 Comptroller of Public Accounts

**LBB Staff:** JOB, ESi, JI, JJO