

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

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

**April 27, 2009**

**TO:** Honorable Todd Hunter, Chair, House Committee on Judiciary & Civil Jurisprudence

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

**IN RE: HB3727** by Burnam (Relating to liability of a governmental unit for certain intentional torts.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3727, As Introduced: a negative impact of (\$4,130,025) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	(\$1,724,251)
2011	(\$2,405,774)
2012	(\$2,335,924)
2013	(\$2,335,924)
2014	(\$2,335,924)

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>	<b>Change in Number of State Employees from FY 2009</b>
2010	(\$1,724,251)	18.0
2011	(\$2,405,774)	27.0
2012	(\$2,335,924)	27.0
2013	(\$2,335,924)	27.0
2014	(\$2,335,924)	27.0

**Fiscal Analysis**

The bill would amend the Texas Civil Practice and Remedies Code to provide that a governmental entity would be liable for the property damage, personal injury, and death caused by the negligence of its employee acting in the course and scope of employment, if the employee would be liable to the claimant under Texas law, and the government unit would, were it a private person, be liable to the claimant according to Texas law.

**Methodology**

According to the Office of the Attorney General (OAG), the provisions of the bill would significantly increase the number of lawsuits filed against the State. As a result, the OAG anticipates that it would need an increase of 18 staff beginning in fiscal year 2010 at a cost of \$1,100,925 in salaries and wages

in fiscal year 2010 and the remaining fiscal years out of the General Revenue Fund. In addition, \$169,092 out of the General Revenue fund will be needed each fiscal year for operating expenses such as travel and consumables. A one-time cost of \$139,700 in fiscal year 2010 out of the General Revenue Fund will be needed for cell phones, desks, computers, and other office equipment. Employee benefits would cost an additional \$314,534 and would be appropriated to the Employee Retirement System.

The OAG also indicates that beginning in fiscal year 2011, the Agency would require an additional 9 staff to handle an anticipated increase in lawsuits over the previous fiscal year. These additional staff would cost \$510,871 in salaries and wages in fiscal year 2011 and the remaining fiscal years out of the General Revenue Fund. In addition, \$94,546 out of the General Revenue fund will be needed each fiscal year for operating expenses such as travel and consumables. A one-time cost of \$69,850 in fiscal year 2011 out of the General Revenue Fund will be needed for cell phones, desks, computers, and other office equipment. Employee benefits would cost an additional \$145,956 and would be appropriated to the Employee Retirement System.

Depending upon the number and amount of judgments awarded against the state, there could be an indeterminate significant fiscal impact.

### **Local Government Impact**

Depending upon the number and amount of judgments awarded against units of local government, there could be an indeterminate significant fiscal impact.

**Source Agencies:** 302 Office of the Attorney General, 701 Central Education Agency

**LBB Staff:** JOB, MN, SD, JM