

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 4, 2009

TO: Honorable Burt R. Solomons, Chair, House Committee on State Affairs

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

IN RE: HB4419 by Dunnam (Relating to money contributed to the secretary of state for officeholder purposes.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would allow the Secretary of State (SOS) to accept or solicit gifts, grants, and donations of money or property from private persons, foundations, or organizations. These items would become property of the state and be under the control of SOS. SOS would be required to use the gifts of money for the purpose specified by the grantor if any purpose is specified. SOS would be required to adopt rules. Money and securities would be held in a trust outside the treasury in a fund called the Secretary of State Extraordinary Fund which would be managed and invested by the Comptroller on behalf of SOS. SOS's financial transactions out of the fund would be subject to annual audits by the State Auditor. SOS would be required to prepare an annual report. The bill would remove SOS from officeholders covered by Election Code 251.002 and would require any balances in an SOS officeholder account to be deposited into the Secretary of State Extraordinary Fund or to one or more persons from whom political contributions were received.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would be effective immediately if it receives a vote of two-thirds or on September 1, 2009.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 307 Secretary of State, 308 State Auditor's Office
LBB Staff: JOB, KJG, BTA