

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 30, 2009

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: SB795 by Fraser (Relating to the audit of certain river authorities.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB795, Committee Report 1st House, Substituted: 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>Other Funds</i>	Probable Revenue Gain/(Loss) from <i>Appropriated Receipts</i> 666
2010	(\$615,720)	\$615,720
2011	(\$236,520)	\$236,520
2012	\$0	\$0
2013	\$0	\$0
2014	\$0	\$0

Fiscal Analysis

The bill would require the State Auditor to conduct comprehensive financial-related audits of the Brazos River Authority and Lower Colorado River Authority, including audits of their operations and performance, no later than January 1, 2011. The bill would be effective immediately with a two-thirds vote of each house. Otherwise, the bill would become effective September 1, 2009.

Methodology

It is assumed that the financial audits would begin in fiscal year 2010 and would be completed in fiscal year 2011, and that each audit would require 4,500 hours. The estimate is based on the current billing rate of \$90 per hour and includes travel costs for the Brazos River Authority audit.

The river authorities would be required to reimburse the State Auditor for the costs associated with the audits.

Local Government Impact

Special water authorities would be subject to financial audits by the State Auditor. During the 2010-11 biennium, the Brazos River Authority and the Lower Colorado River Authority would be required to reimburse the State Auditor for the cost of the audits, collectively estimated to be \$615,720 in fiscal year 2010 and \$236,520 in fiscal year 2011.

Source Agencies: 308 State Auditor's Office

LBB Staff: JOB, SZ, MS, SD