

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 27, 2009

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

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

IN RE: SB1940 by Van de Putte (Relating to the fund for veterans' assistance.), **As Passed 2nd House**

Depending upon the number of persons making a contribution to the Veterans' Assistance Fund, there would be an indeterminate amount of revenue to the state.

Although the bill would not make an appropriation, it would establish the basis for an appropriation.

The bill would amend Chapter 502, Transportation Code, to allow a person who registers a motor vehicle under the chapter to make a voluntary contribution in any amount to the fund for veterans' assistance established by Section 434.017, Government Code. The county tax assessor-collector would be required to send any contribution to the Comptroller of Public Accounts for deposit in the state treasury to the credit of the Veterans' Assistance Fund.

The bill would amend the Government Code to allow state employees to authorize a deduction for contributions to the fund as a charitable contribution, and the Texas Veterans Commission may use the contributions for enhancing or improving veterans' assistance programs and to make grants to local communities to address veterans' needs.

It is unknown how many persons would make a contribution at the time of registering their motor vehicle, or in what amount, and it is unknown how many state employees would make a contribution or in what amount; therefore, the amount of revenue generated for deposit to the Veterans' Assistance Fund cannot be determined. If the amount were to become significant, the Veterans Commission assumes additional staff would be required to administer and track grants to local communities. The bill would also amend the Health and Safety Code and the Code of Criminal Procedure relating to the establishment of veterans court programs in this State. The bill would authorize a county to establish a veterans court program for persons arrested for, charged with, or convicted of both misdemeanor and felony offenses. A veterans court program created under the bill would be required to have certain characteristics, including provision of various treatment and service programs. The bill would allow a court to dismiss a criminal case if the defendant successfully completes a veterans court program, under certain conditions. A veterans court program is authorized to collect reasonable program fees, not to exceed \$1,000 to cover costs. Fees may be used only for the veterans court program. The bill would provide for legislative oversight of state veterans court programs. In addition, the bill would amend the Code of Criminal Procedure to allow a court to expunge records and files in certain cases if a defendant successfully completes a veterans court program, under certain conditions. To the extent that the bill would alter judicial procedures in certain cases, no significant fiscal implication to the State is anticipated.

The bill would prescribe additional statutory duties and responsibilities to the State Auditor's Office (SAO), in that a legislative committee or the Governor may request the State Auditor to perform a management, operations, financial, or accounting audit of a Program. This analysis assumes the SAO would not receive a request from a legislative committee or the Governor for an audit of these Programs during fiscal years 2010 and 2011. Assumed that the SAO would receive one request for an audit of one Program in one county during fiscal year 2012 and one request in fiscal year 2014, this analysis estimates each audit would require 1,500 hours to complete and, using the SAO's current

billing rate of \$90 per hour, cost \$149,400 (inclusive of \$14,400 for travel expenses). These costs in future years are not assumed to be a significant fiscal implication to the SAO. Also, in accordance with current Government Code 321.013, all additional duties and responsibilities prescribed by the bill would be proposed in the SAO's annual audit plan for Legislative Audit Committee approval

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 the bill would be subject to funds consolidation review by the current legislature. The bill would take effect September 1, 2009.

Local Government Impact

Local government entities would incur administrative costs in handling contributions, but no significant fiscal implications are anticipated.

Source Agencies: 403 Veterans Commission, 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, JM, SD, DB