

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 13, 2011

TO: Honorable Bill Callegari, Chair, House Committee on Government Efficiency & Reform

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

IN RE: HB1634 by Bonnen (Relating to the applicability of certain unfunded mandates on political subdivisions.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 320 of the Government Code to define “interagency work group” and specifies the members of the work group would be comprised of. The work group would be required to publish an advisory list of mandates for which the legislature has not provided reimbursement and that were enacted by the legislature during the legislative session. Members of the work group would not be compensated and would be allowed to enter into an interagency memorandum of understanding regarding the work.

The State Auditor’s Office (SAO) analysis assumes the agency would enter into a memorandum of understanding regarding the work group’s responsibilities. The analysis further assumes the SAO would not take a primary role in executing the duties, but would be limited to attending meetings and assisting as required which would require approximately 100 hours per fiscal year that would cost \$9,200 each fiscal year based on the current \$92 per hour billing rate. The SAO reported the cost would not be significant and could be absorbed within the existing budget. All additional duties and responsibilities prescribed by the provisions of the bill would be proposed in the SAO’s annual audit plan for Legislative Audit Committee approval.

A political subdivision would only be required to comply with a mandate that the legislature has provided reimbursement for and would be allowed to determine compliance based on the published advisory list of unfunded mandates.

The bill would repeal Section 320.004 of the Government Code.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house. If the bill does not receive the votes required to pass, the bill would take effect September 1, 2011.

Local Government Impact

According to the Texas Association of Counties (TAC), the costs to counties associated with the provisions of the bill are not anticipated to be significant. In addition, it is impossible to determine what, if any, savings counties may have although it is possible that cumulative savings would be significant.

The Texas Municipal League (TML) reported there would be a positive fiscal impact to cities.

Source Agencies: 308 State Auditor's Office

LBB Staff: JOB, KM, TP