

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 27, 2011

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

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

IN RE: SB1243 by West (Relating to the use of a county risk management pool by certain county and district officers instead of the execution of bonds and to the authority of certain counties and intergovernmental pools to require reimbursement for punitive damage coverage.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to authorize a commissioners court to allow a county officer to obtain coverage from a county government risk management pool created under Chapter 119 instead of a bond prior to taking office. The coverage must be in the same amount and meet the same required bond conditions.

The bill also would authorize a county or intergovernmental pool to seek reimbursement from a person for certain coverage by the pool.

The bill would amend the Government Code to authorize a district attorney or a criminal district attorney to obtain coverage from a county government risk management pool created under Chapter 119 instead of a bond prior to taking office. The coverage must be in the same amount and meet the same required bond conditions.

Local Government Impact

There could be costs to a county if a commissioners court opted to join a county government risk management pool. In addition, a county or the intergovernmental pool may seek reimbursement for punitive damages which could offset some of the costs incurred. It is assumed that a commissioners court would join a pool only if sufficient funds were available or it would not result in a negative fiscal impact.

Bexar County reported there would be no fiscal impact assuming there would be no change in policy by the commissioners court. However, if the commissioners court authorized the use of a pool there could be costs associated with joining the pool, especially if claim payments exceeded the amount collected; those amounts cannot be estimated at this time.

Tom Green County reported that without knowing what the premiums for coverage would cost under a government risk management pool, but assuming the amounts would not be substantially different than the premiums paid for elected official bonds, the county does not anticipated a fiscal impact.

Source Agencies:

LBB Staff: JOB, KKR, TP