

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 8, 2013

TO: Honorable Linda Harper-Brown, Chair, House Committee on Government Efficiency & Reform

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2962** by Harper-Brown (Relating to the use of a credit or charge card by a state agency to make certain purchases.), **As Introduced**

The bill would have an indeterminate fiscal cost to the state but the cost is expected to be insignificant, depending on determinations made by the Comptroller of Public Accounts.

The bill would amend the Government Code to require state agencies to use credit or charge cards for all purchases, including travel services, and prohibit the use of personal credit or charge cards by employees unless the Comptroller of Public Accounts determines that another method of payment would result in greater savings to the state. The bill would take effect immediately upon enactment if it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2013.

The Comptroller of Public Accounts reports that there would be no cost to implement the provisions of the bill. However, the University of Texas System (UT) reports there would be increased costs associated with accepting credit cards as payment of 2 percent to 3 percent for transaction fees. UT estimates that the bill would shift \$100 million incoming payments to credit card payments and result in a \$2 million cost per year. The Health and Human Services Commission (HHSC) anticipates an All Funds increased cost of \$1.3 million for the biennium for ten additional FTEs to issue and monitor state issued credit cards to employees for travel. HHSC reports that the fiscal impact is due to the large number of employees who are required to travel to fulfill their work responsibilities.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 601 Department of Transportation, 696 Department of Criminal Justice, 720 The University of Texas System Administration

LBB Staff: UP, KJo, JI, YD, LCO