

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 1, 2013

TO: Honorable John T. Smithee, Chair, House Committee on Insurance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3697** by Smithee (Relating to the deposit of assessments and fees collected for examination expenses.), **As Introduced**

The fiscal implications of the bill are indeterminate due to the unknown nature of any transfers from the Texas Treasury Safekeeping Trust Company to General Revenue or General Revenue-Dedicated Texas Department of Insurance Fund 36.

The bill would amend the Insurance Code relating to the deposit of assessments and fees collected for examination expenses. The bill would allow the Texas Department of Insurance (TDI) to use funds deposited outside the treasury from assessments and fees collected by the financial examination division for examinations of insurers and other regulated entities, for the purpose of reimbursing the TDI General Revenue-Dedicated Texas Department of Insurance Operating Account Fund 36 for any administrative support costs and reimbursement of premium tax credits for examination costs and overhead assessments.

Since General Revenue-Dedicated Texas Department of Insurance Operating Account Fund 36 is a self-leveling account, this analysis assumes that any reimbursements from the financial examination division account in the Texas Treasury Safekeeping Trust Company would result in a corresponding decrease in the amount of revenue that would have to be collected through insurance maintenance taxes. Any reimbursements of premium tax credits for examination costs and examination overhead assessments would be paid to the credit of General Revenue. Based on information provided by the Comptroller of Public Accounts, implementing the provisions of the bill would result in an indeterminate fiscal impact as the amount and timing of any such reimbursement is unknown.

Based on information provided by TDI, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

The bill would take effect immediately upon receiving a two-thirds vote in both houses; otherwise, the bill would take effect September 1, 2013.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 454 Department of Insurance

LBB Staff: UP, AG, MW, ER