

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 1, 2013

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Government Organization

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB806 by Carona (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 those costs are expected to be insignificant depending on authorized 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 is more advantageous 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 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.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 720 The University of Texas System Administration

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