

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 30, 2015**

**TO:** Honorable John Otto, Chair, House Committee on Appropriations

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB915** by Howard (relating to quarterly financial condition reports on collected and anticipated state revenue.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB915, Committee Report 1st House, Substituted: a negative impact of (\$456,000) through the biennium ending August 31, 2017.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2016	(\$228,000)
2017	(\$228,000)
2018	(\$228,000)
2019	(\$228,000)
2020	(\$228,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from General Revenue Fund 1</b>	<b>Change in Number of State Employees from FY 2015</b>
2016	(\$228,000)	2.0
2017	(\$228,000)	2.0
2018	(\$228,000)	2.0
2019	(\$228,000)	2.0
2020	(\$228,000)	2.0

**Fiscal Analysis**

The bill would amend Chapter 403 of the Government Code, regarding the Comptroller of Public Accounts.

The bill would require the Comptroller, in addition to the revenue estimates required by Section 49a, Article III, of the Texas Constitution (Financial Statement and Estimate by Comptroller), to prepare and submit to the Governor, the Legislature, and the Legislative Budget Board a quarterly

report on the financial condition of the state. The report must: (1) state the total net revenue actually collected for the state fiscal year as of the end of the most recent state fiscal quarter from all revenue sources included in the most recent estimate; (2) compare actual total net revenue collections with the anticipated revenue collections included in the most recent estimate; (3) summarize indicators of state economic trends since the last estimate and anticipated economic trends and their effects on future revenue collections; and (4) provide revised projections for state revenue collections for the current state fiscal biennium. The Comptroller would be required to submit the initial quarterly report not later than December 31, 2015.

The Comptroller would make the financial condition reports available on the Comptroller's Internet website.

The bill would take affect September 1, 2015.

### **Methodology**

The administrative cost estimate reflects the funds that would be necessary to hire one senior revenue estimator and one economist to prepare a quarterly report on the financial conditions of the state. Significant research and analysis on all revenue sources is necessary in order to produce quarterly revenue estimates. The agency would need to dedicate two full time employees to this function in addition to using the expertise of the entire Revenue Estimating Division.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD