

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 22, 2015

TO: Honorable John T. Smithee, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1079 by Thompson, Senfronia (Relating to the distribution of certain civil penalties, payments, and civil restitution received by the attorney general.), **Committee Report 1st House, Substituted**

The fiscal implications to the state are indeterminate because amounts that would be recovered from future civil penalties and civil restitutions are unknown. Any amounts recovered under the bill would provide a positive fiscal implication to Judicial Fund No. 573 with a corresponding negative fiscal implication to the General Revenue Fund.

The bill would amend the Government Code to expand the types of civil penalties, civil payments, and civil restitutions recovered by the Office of Attorney General and credited to the Judicial Fund to apply to any civil penalty or civil restitution under the Business and Commerce Code recovered by the Office of Attorney General, with certain limitations. Under current law, the Comptroller credits recovered amounts from Deceptive Trade Practice Act civil penalties and settlements recovered by the Office of Attorney General up to \$50 million to the Judicial Fund to be used by the Supreme Court of Texas through a subaccount within the Judicial Fund for basic civil legal services to the indigent while revenues received for judgments or settlements of other types of civil penalties and civil restitution recovered by the Office of Attorney General are credited to the General Revenue Fund.

By expanding the civil penalties, civil payments, and civil restitution recovered by the Office of Attorney General and credited to the Supreme Court for basic civil legal services to include all types of civil penalties and civil restitution under the Business and Commerce Code, the bill would have a positive fiscal impact on the Judicial Fund and a corresponding negative fiscal impact to the General Revenue Fund of a like amount. However the amounts would vary based on the amount of recoveries of civil penalties and civil restitution with any amounts that result in the subaccount exceeding \$50 million credited to the General Revenue Fund. Historical data for civil penalties and civil restitution indicates significant fluctuations in the amounts collected from year to year while still remaining significantly under the \$50 million threshold. Since future anticipated penalties and restitution cannot be estimated and due to large variances in year-to-year amounts recovered from current civil penalties, the amounts cannot be determined.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take effect immediately upon receiving a two-thirds vote in both houses; otherwise

the bill would take effect September 1, 2015.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts

LBB Staff: UP, FR, MW, GDz, SD, TBo, KVe