

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 21, 2015

TO: Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2493 by Parker (Relating to the self-directed and semi-independent status of the State Securities Board; authorizing fees.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2493, As Engrossed: a negative impact of (\$38,714,818) through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$19,357,409)
2017	(\$19,357,409)
2018	(\$19,357,409)
2019	(\$19,357,409)
2020	(\$19,357,409)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from General Revenue Fund 1	Probable Savings from General Revenue Fund 1	Probable Revenue Gain from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	(\$27,052,000)	\$6,986,591	\$708,000	(104.0)
2017	(\$27,052,000)	\$6,986,591	\$708,000	(104.0)
2018	(\$27,052,000)	\$6,986,591	\$708,000	(104.0)
2019	(\$27,052,000)	\$6,986,591	\$708,000	(104.0)
2020	(\$27,052,000)	\$6,986,591	\$708,000	(104.0)

Fiscal Analysis

The bill would amend the Government Code and Securities Act relating to the self-directed and semi-independent status of the State Securities Board (Securities Board); authorizing fees.

The bill would add the Securities Board to the list of agencies governed by Chapter 472 of the Government Code relating to the status, powers, and duties of certain self-directed and semi-independent agencies.

The bill would allow the agency to set fees under Section 35.A of the Securities Act sufficient to cover the costs of administering this Act.

The bill would take effect September 1, 2015.

Methodology

Based on information provided by the CPA, it is assumed that the estimated loss to the General Revenue Fund totals \$27.1 million in each fiscal year due to the removal of revenue from fees and funds included in Section 35.A of the Securities Act. All other fees and funds received by the agency will continue to be deposited into the General Revenue Fund.

The analysis assumes an annual savings in General Revenue of approximately \$7.0 million based on the General Revenue appropriations to the agency in the General Appropriations Act in fiscal year 2015.

Commensurate with the self-directed and semi-independent status of the agency, the Securities Board would have to pay for certain state services which they are currently using, including services from the Attorney Generals Office, the Texas Facilities Commission, the State Auditors Office, and the Department of Information Resources. The CPA estimates that this will total \$708,000 remitted back to the General Revenue Fund in each fiscal year.

This analysis also reflects a reduction in full-time equivalents (FTEs) each fiscal year equal to the amount authorized to the agency in fiscal year 2015.

This analysis assumes that other duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 308 State Auditor's Office, 312 Securities Board, 304 Comptroller of Public Accounts

LBB Staff: UP, CL, NV, JLi