

## **BILL ANALYSIS**

Senate Research Center  
85R2089 MK-D

S.B. 398  
By: Kolkhorst  
Administration  
3/31/2017  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 398 requires the State Auditor's Office to conduct a study to compare the projected cost estimate of a random sample of 10 percent of bills that took effect over the previous five regular sessions with the actual cost to the state.

The Legislative Budget Board (LBB) is charged with estimating the projected fiscal impact of legislation during the session. These fiscal notes can have a great deal of influence on the success or failure of proposed legislation. S.B. 398 is designed to gauge the accuracy of these estimates by comparing fiscal notes with the actual cost of effective legislation.

This legislation expires December 31, 2018.

As proposed, S.B. 398 amends current law relating to a study conducted by the State Auditor's Office to compare the projected cost estimate attached to certain bills and resolutions to the actual cost to the state of the bills and resolutions.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 321, Government Code, by adding Section 321.0139, as follows:

Sec. 321.0139. STUDY ON ACTUAL COST OF BILLS AND RESOLUTIONS. (a) Requires the state auditor to conduct a study to compare the probable cost estimate in fiscal notes prepared by the Legislative Budget Board (LBB) and attached to bills or resolutions in accordance with Chapter 314 (Fiscal Notes and Cost Projections) with the actual cost to the state of the bills or resolutions.

(b) Requires the state auditor, in conducting the study under this section, to select for cost comparison a random sample set consisting of 10 percent of fiscal notes prepared by LBB from the preceding five regular legislative sessions that projected a cost to the state and were attached to bills or resolutions that took effect, and develop a system to determine the actual cost to the state associated with a bill or resolution that took effect.

(c) Requires the state auditor, not later than September 1, 2018, to deliver the results of the study conducted under this section to the governor, the lieutenant governor, the speaker of the house of representatives, the House Appropriations Committee, and the Senate Finance Committee.

(d) Provides that this section expires December 31, 2018.

SECTION 2. Effective date: upon passage or September 1, 2017.