

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 27, 2017

TO: Honorable John Zerwas, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB636 by Howard (Relating to a report on the range of potential fiscal impacts to the state resulting from judgments in pending suits against the state or a state agency.), **As Introduced**

There would be an indeterminate cost for the Comptroller of Public Accounts to produce the report required by the bill, depending on the amount of litigation against the state that must be analyzed.

The bill would amend Chapter 403 of the Government Code, regarding the Comptroller of Public Accounts, to add new Section 403.0146 requiring the Comptroller in collaboration with the Legislative Budget Board to produce a biennial report on the range of fiscal impacts to the state that could result from currently pending lawsuits against the state, a state agency, or a state official.

The Comptroller of Public Accounts indicates there would be a cost to produce a report on the range of potential fiscal impacts to the state that could result from a judgment entered against the state in any suit against the state, a state agency, or a state official that is pending at the time of the report's publication. The bill would require significant ongoing cooperation and coordination with the Attorney General's Office to identify all pending litigation, however because of attorney client privilege the OAG will not be able to provide information on ongoing litigation. The bill does not set a reporting threshold so all litigation against the state must be analyzed to determine fiscal impact and to produce the report. Cases against the state could include administrative law matters and procedures, regulatory and financial matters; contractual disputes; civil litigation, including employment matters; whistleblower claims, discrimination, libel, slander, etc., challenges to the constitutionality of Texas statutes and the state's administration of programs such as public education and Medicaid; law enforcement cases; tax cases; eminent domain; unemployment; personal injury; and medical malpractice. The number of cases pending at the time of the report's publication, and therefore the cost to produce the report, cannot be estimated.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

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, LCO, AB