

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 6, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB200** by Campbell (relating to public access to boundary, financial, and tax rate information of certain political subdivisions.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB200, Committee Report 1st House, Substituted: a negative impact of (\$796,000) through the biennium ending August 31, 2019, assuming the agency implements the program. The agency is not required to implement the legislation in the absence of an appropriation.

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
2018	(\$608,000)
2019	(\$188,000)
2020	(\$188,000)
2021	(\$188,000)
2022	(\$188,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2017
2018	(\$608,000)	2.0
2019	(\$188,000)	2.0
2020	(\$188,000)	2.0
2021	(\$188,000)	2.0
2022	(\$188,000)	2.0

Fiscal Analysis

The bill would require the Comptroller to post on the internet for public access a database, to be known as the Political Subdivision Public Information Warehouse, containing certain information

on all active political subdivisions of the state that are authorized to impose an ad valorem or sales and use tax or to issue bonds, notes, or other obligations. The bill would require the Comptroller to include in the database the following information on each affected political subdivision: (1) name; (2) the rate of any sales and use tax imposed; (3) a table of ad valorem tax rates for the most recent tax year; (4) total amount of debt and the year in which the debt would be paid; (5) internet web address or other contact information; and (6) internet web address for the appraisal district in each county where the subdivision has territory. The bill authorizes the Comptroller to include the following information on each affected subdivision: boundary information; current fiscal year budget; current check registry published by its governing body; and any other current financial audit or annual report published by its governing body. The bill would require the Comptroller to update at least annually each affected subdivision's tax rate information and to present information in the database in a manner that is searchable and intuitive to users. The bill would require the Comptroller to develop and post the database by December 31, 2019.

The bill would require the Texas Education Agency (TEA) to transmit annually to the Comptroller each school district's adopted budget and any school district's financial reports filed with TEA. The bill would require political subdivisions, excluding school districts, to provide records and information annually to the Comptroller for the purpose of administering the database. Information submitted by TEA and subdivisions would be transmitted in a form and manner prescribed by the Comptroller.

The bill would require the Comptroller to implement the provisions of the bill only if an appropriation is provided specifically for that purpose; otherwise implementation is optional. TEA would not be required to transmit school district information annually until the Comptroller develops and posts the database.

Methodology

This analysis estimates the costs of implementing the provisions of the bill assuming that either the Legislature appropriates money specifically for that purpose or that the Comptroller identifies available funds.

Based on the analysis of the Comptroller, there would be a cost of \$608,000 in fiscal year 2018 and an ongoing cost of \$188,000 in each following year. This analysis includes a one-time technology cost of \$445,000 in fiscal year 2018 for the Comptroller to develop the Political Subdivision Public Information Warehouse database and ongoing maintenance costs of \$25,000 in subsequent years. The Comptroller also indicates there would be staff costs of \$163,000 for two program specialist IVs to analyze, verify, and publish tax, financial, and boundary data received from approximately 5,000 local governmental entities. This estimate is based on the agency's current costs to review and post debt-related information submitted by over 1,000 political subdivisions.

TEA estimates any additional costs to transmit the required information to the Comptroller could be absorbed within existing resources.

Technology

The Comptroller indicates a development cost of \$445,000 in General Revenue Funds in fiscal year 2018 to create the database and include all required and authorized information for each county, municipality, special district, school district, and other political subdivisions in Texas.

Development costs would include creating a secure portal for system access; an application to enter and update information; and an application for public use to search and view information. Ongoing costs of \$25,000 would also be required beginning in fiscal year 2019 for server maintenance and cloud services related to the database.

Local Government Impact

According to the Texas Association of Counties (TAC), Garza County reported it would cost an estimated \$2,000 per year to meet the requirements of the bill. Wise County reported that it does not have the software capability to transmit the information required under the provisions of the bill to the Comptroller. Tom Green County noted that it currently produces the required items and posts them to the county's website. TAC indicated that costs will depend on what form(s) the Comptroller devises for counties to submit. TAC assumes that the bill will not have a significant fiscal impact to counties.

Source Agencies: 304 Comptroller of Public Accounts, 701 Texas Education Agency

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