

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 2, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB625 by Kolthorst (Relating to public access to financial and tax rate information of certain special purpose districts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB625, As Introduced: a negative impact of (\$344,000) through the biennium ending August 31, 2019.

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	(\$262,000)
2019	(\$82,000)
2020	(\$82,000)
2021	(\$82,000)
2022	(\$82,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2017
	1	
2018	(\$262,000)	1.0
2019	(\$82,000)	1.0
2020	(\$82,000)	1.0
2021	(\$82,000)	1.0
2022	(\$82,000)	1.0

Fiscal Analysis

The bill would require the Comptroller of Public Accounts (Comptroller) to create and post on the internet a Special Purpose District Public Information Database containing certain information on all active special purpose districts, as defined by the bill, which are authorized to impose an ad valorem tax or a sales and use tax, to impose an assessment, or to charge a fee. The bill would

require the Comptroller to include certain information for each district in the database, including, but not limited to, the following information: local debt information required under Section 140.008(b) or (g) of the Local Government Code; total annual revenue; ending fiscal year fund balances; rate of any sales and use tax imposed; and a table of ad valorem tax rates. The bill would require the Comptroller to develop and post the database by January 1, 2018. The Comptroller would be required to update information in the database annually.

Districts would be required to transmit records and other information annually to the Comptroller, in a form and manner prescribed by the Comptroller, for the purpose of operating and updating the database. The bill would require the Comptroller to maintain a noncompliance list of districts that have not submitted the required information. The bill would provide that the Attorney General may not approve a public security submitted under Chapter 1202, Government Code, by a special purpose district which appears on the noncompliance list until the Attorney General receives written notification from the Comptroller that the district has submitted the information or that the Comptroller has agreed to a later date for the district to submit the information.

Methodology

Based on the analysis of the Comptroller, there would be a General Revenue cost of \$262,000 in fiscal year 2018 and an ongoing cost of \$82,000 in each following year. This analysis includes a one-time technology cost of \$180,000 in fiscal year 2018 for the Comptroller to develop the Special Purpose District Public Information Database. The Comptroller also indicates there would be staff costs of \$82,000 for one program specialist IV to maintain and verify data submissions from districts. This estimate is based on the agency's current costs to review and post debt-related information submitted by political subdivisions.

The Office of the Attorney General indicates that their costs to implement provisions of the bill could be absorbed within existing resources.

Technology

The Comptroller indicates a one-time technology cost of \$180,000 in General Revenue funds in fiscal year 2018 to develop the database. The cost reflects an estimated 1,200 hours of design, architecture, and coding, including the creation of mainframe tables, a security portal, an application to enter and update information, and an application to view and sort information for public use.

Local Government Impact

According to the Central Texas Groundwater Conservation District and the San Antonio River Authority, the fiscal impact under the provisions of the bill is not anticipated to be significant.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts

LBB Staff: UP, JGA, NV, LCO, JSm