

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 10, 2017

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB2204** by Hancock (Relating to the administration of the certified capital company program by the office of the comptroller of public accounts.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would repeal Chapter 228 of the Insurance Code, regarding premium tax credit for certain investments, effective December 31, 2018.

The bill would end the Certified Capital Company (CAPCO) program that granted insurance premium tax credits for certain investments. Credits for certified capital invested before the effective date of repeal would not be affected.

Not later than January 31 of each year, CAPCO companies are required to pay an annual renewal fee of \$5,000. The total amount of renewal fees collected in fiscal 2017 was \$15,000. If Chapter 228 is repealed, it is assumed that the renewal fees would no longer be collected.

A total of \$400 million in CAPCO investment premium tax credits were made available starting in fiscal year 2009. All but \$13.4 million of those credits have been redeemed. A maximum of \$2.6 million of those remaining credits could be taken in fiscal 2018. The bill would not effect the amounts of CAPCO credits that could be taken in fiscal 2018 and subsequent years.

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, CL, SD, KK