

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 7, 2019

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

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
 Legislative Budget Board

IN RE: HB2300 by Morrison (Relating to the creation of the disaster recovery loan program; making an appropriation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2300, As Introduced: a negative impact of (\$60,000,000) through the biennium ending August 31, 2021.

Appropriations:

Fiscal Year	Appropriation out of <i>General Revenue Fund</i> 1
2020	\$30,000,000
2021	\$30,000,000

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$30,000,000)
2021	(\$30,000,000)
2022	\$0
2023	\$0
2024	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>New General Revenue Dedicated</i>
2020	(\$30,000,000)	\$30,000,000
2021	(\$30,000,000)	\$30,000,000
2022	\$0	\$0
2023	\$0	\$0
2024	\$0	\$0

Fiscal Analysis

The bill would amend statute and create a disaster recovery loan program, established by the Texas Emergency Management Division (TDEM) of the Department of Public Safety. The loan would provide short-term loans for disaster recovery projects to eligible political subdivisions, subject to certain provisions in the bill.

The new account, the Disaster Recovery Loan Account, would consist of: money appropriated, created or transferred by the Legislature; money received by the Comptroller for the repayment of loans made from the account; and interest earned on deposits and investments of the account.

The bill would appropriate \$60.0 million from the General Revenue Fund to the newly created Disaster Recovery Loan Account in the 2020-21 biennium.

According to the State Auditor's Office (SAO), to complete the work described by this legislation, in accordance with Section 321.013, Government Code, all additional duties and responsibilities prescribed by the legislation would be proposed in the SAO's annual audit plan submitted to the Legislative Audit Committee. This scope of work is estimated to require 3,500 audit hours to complete at a cost of \$325,500 using the SAO's standard billing rate. It is assumed that the SAO could perform duties described by this bill using existing resources.

The State Auditor's participation is subject to approval by the Legislative Audit Committee for inclusion in the audit plan.

The bill would take effect September, 1, 2019.

Methodology

According to analysis by the Comptroller of Public Accounts, \$60.0 million in the General Revenue Fund would be appropriated to the newly created General Revenue Dedicated Account - Disaster Recovery Loan Account. This analysis assumes that the appropriation would be made in equal amounts for two fiscal years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 308 State Auditor's Office, 405 Department of Public Safety

LBB Staff: WP, KK, AI, SMi, MMF