

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 15, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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

IN RE: **HB2945** by Perez (Relating to payment card skimmers on motor fuel dispensers and to creating a payment fraud fusion center; imposing civil penalties; creating criminal offenses.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2945, As Passed 2nd House: a negative impact of (\$1,240,000) through the biennium ending August 31, 2021.

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
2020	(\$870,000)
2021	(\$370,000)
2022	(\$160,000)
2023	(\$160,000)
2024	(\$160,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2020	(\$870,000)
2021	(\$370,000)
2022	(\$160,000)
2023	(\$160,000)
2024	(\$160,000)

Fiscal Analysis

The bill amends the Government Code to establish the Payment Card Fraud Fusion Center (the Center) in the City of Tyler, Texas. The Office of the Attorney General (OAG) is tasked with coordinating the Center, and the OAG may designate other agencies for collaboration. The bill would take effect September 1, 2019.

Methodology

Based on analysis by the OAG, there would be one-time and ongoing information technology costs associated with the establishment and operation of the Center. Based on that analysis, other personnel and enforcement costs could be absorbed within existing agency resources.

Based on analysis by the Department of Public Safety and the Texas Department of Agriculture, the provisions of the bill relating to detection and investigation of credit card fraud could be absorbed within existing state resources. The bill would create two civil penalties, as well as a Class C misdemeanor, Class B misdemeanor, and third degree felony offense. Although the provisions of the bill creating penalties and offenses could result in an increase in revenue, the extent to which these would impact revenue cannot be determined at this time.

Technology

Based on analysis by the OAG, the provisions of the bill relating to coordination and investigation of credit card fraud would require the development and maintenance of an investigate case management system specific to credit card fraud. According to that analysis, such a case management system would be required to allow the Center to coordinate across multiple state and local jurisdictions. The cost estimate was derived from the development of similar law enforcement data systems by the OAG.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 551 Department of Agriculture

LBB Staff: WP, CLo, JMO, CMa, NV, AF