

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 14, 2019**

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

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

**IN RE: SB1648** by Zaffirini (Relating to payment card skimmers on motor fuel dispensers; imposing a civil penalty; creating criminal offenses.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1648, As Introduced: 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	(\$870,000)
2021	(\$370,000)
2022	(\$160,000)
2023	(\$160,000)
2024	(\$160,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>
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 Center (the Center) in the City of Tyler, Texas. The Office of the Attorney General is tasked with coordinating the Center in cooperation with the Texas Department of Agriculture, the Department of Public Safety, and

other state or local agencies. The bill would take effect September 1, 2019.

### **Methodology**

Based on analysis by the Office of the Attorney General, 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.

### **Technology**

Based on analysis by the Office of the Attorney General, 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 Office of the Attorney General.

### **Local Government Impact**

A Class C misdemeanor is punishable by a fine of not more than \$500. In addition to the fine, punishment can include up to 180 days of deferred disposition. Costs associated with enforcement and prosecution could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal impact.

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

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