

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 24, 2021

TO: Honorable Chris Paddie, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1950 by Slawson (Relating to the control and funding of law enforcement and public safety services in certain political subdivisions.), **As Introduced**

No significant fiscal implication to the State is anticipated.

However, there could be an indeterminate increase to state revenue if an applicable municipality is determined to have adopted a budget that defunds law enforcement.

The bill would amend the Local Government Code by adding Chapter 345 regarding the creation of law enforcement and public safety zones and by adding Section 140.013 to define a defunding local government. Zone operations would be funded by municipal sales and use tax revenue set aside by the Comptroller of Public Accounts (CPA) as directed by the Governor.

According to the CPA, the bill's provisions regarding municipal sales tax revenue could increase state revenue in the same amount that revenue to any local governments would be reduced.

This legislation could do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside of the Treasury, or create a dedicated revenue source.

This bill would not make an appropriation, but could establish the basis for an appropriation.

Local Government Impact

The bill would have significant fiscal impact on municipalities located wholly or partially in Travis County that defund law enforcement agencies in the manner defined by the bill.

Source Agencies: 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts

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