

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 5, 2021**

**TO:** Honorable Morgan Meyer, Chair, House Committee on Ways & Means

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2695** by Noble (Relating to municipalities and counties that adopt budgets that defund law enforcement agencies.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Local Government Code to prohibit a municipality that meets the definition of a defunding local government as provided by the bill from increasing their combined revenues for a fiscal year above their combined revenues for the immediately preceding fiscal year.

The Office of the Governor anticipates that any costs associated with the bill could be absorbed using existing resources.

**Local Government Impact**

The bill could have a significant fiscal impact on municipalities that meet the definition of a defunding local government, as provided by the bill. The number of municipalities or counties that would meet the definition of a defunding local government in the future is unknown, therefore the fiscal impacts cannot be determined at this time.

**Source Agencies:** 300 Trusteed Programs - Gov

**LBB Staff:** JMc, KK, CMA, DPE