

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 20, 2021

TO: Honorable Rafael Anchia, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4131 by Parker (relating to the self-directed and semi-independent status of the State Securities Board; authorizing fees.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4131, Committee Report 1st House, Substituted : a positive impact of \$943,757 through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$378,633
2023	\$565,124
2024	\$565,124
2025	\$565,124
2026	\$565,124

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue (Loss) from General Revenue Fund 1	Probable Revenue Gain from General Revenue Fund 1
2022	\$6,300,035	(\$6,300,035)	\$378,633
2023	\$9,403,037	(\$9,403,037)	\$565,124
2024	\$9,403,037	(\$9,403,037)	\$565,124
2025	\$9,403,037	(\$9,403,037)	\$565,124
2026	\$9,403,037	(\$9,403,037)	\$565,124

Fiscal Analysis

The bill would transition the State Securities Board to a self-directed, semi-independent agency starting on January 1st, 2022. The bill would allow the agency's Board to set certain fees permitted by statute or rule as necessary for the purpose of carrying out the functions of the agency.

Methodology

The State Securities Board indicates that the annual revenue gain (\$378,633 in FY 2022, \$565,124 in FY 2023-2026) represents reimbursement for the services that the Securities Board would begin paying under an SDSI

funding arrangement. This includes services from the Attorney General's Office, the State Office of Administrative Hearings, the Comptroller of Public Accounts, the State Office of Risk Management, the Texas Facilities Commission, the Sunset Advisory Commission, the State Auditor's Office, and the Department of Information Resources. Under the current structure for appropriations for the State Securities Board, many agencies providing services to the State Securities Board do not recover costs from the agency. However, this bill would require the Securities Board to begin paying for these services, creating an annual gain to the General Revenue Fund.

The dollar amounts entered as annual savings and revenue loss to the General Revenue Fund (\$6,300,035 in FY 2022, \$9,403,037 in FY 2023-2026) represent the sum of the amount appropriated to the agency including the direct and indirect costs. This number represents savings to the General Revenue Fund because it will no longer be annually appropriated to the Securities Board, and it represents a loss to the General Revenue Fund because it will no longer be reimbursed by the Securities Board to the General Revenue Fund.

The revenue gain, revenue loss, and savings amounts in 2022 have been adjusted down due to the effective date of the bill being moved to 1/1/2022 from 9/1/2021.

Technology

No fiscal implication to technology is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs - Gov, 302 Office of the Attorney General, 303 Facilities Commission, 304 Comptroller of Public Accounts, 312 Securities Board, 457 Board of Public Accountancy, 459 Board of Architectural Examiners, 460 Bd of Prof Engr & Land Surveyors

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