

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

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

**April 13, 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.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4131, As Introduced : a positive impact of \$1,130,248 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> | <b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b> |
|--------------------|---|
| 2022               | \$565,124   |
| 2023               | \$565,124   |
| 2024               | \$565,124   |
| 2025               | \$565,124   |
| 2026               | \$565,124   |

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

| <i>Fiscal Year</i> | <b>Probable Savings/(Cost) from General Revenue Fund 1</b> | <b>Probable Revenue (Loss) from General Revenue Fund 1</b> | <b>Probable Revenue Gain from General Revenue Fund 1</b> |
|--------------------|--|--|--|
| 2022               | \$9,403,037  | (\$9,403,037)  | \$565,124  |
| 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. 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 (\$565,124) 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 (\$9,403,037) 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.

### **Technology**

No fiscal implication to technology is anticipated.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 300 Truusted 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

**LBB Staff:** JMc, AAL, MB, RRE