

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 15, 2023

TO: Honorable Terry M. Wilson, Chair, House Committee on Defense & Veterans' Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB90 by Patterson (Relating to benefits for certain members of the Texas military forces and survivors of members of the Texas military forces.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB90, As Introduced : a negative impact of (\$4,848,891) through the biennium ending August 31, 2025.

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>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$2,364,159)
2025	(\$2,484,732)
2026	(\$2,546,850)
2027	(\$2,602,881)
2028	(\$2,660,144)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>
2024	(\$2,364,159)
2025	(\$2,484,732)
2026	(\$2,546,850)
2027	(\$2,602,881)
2028	(\$2,660,144)

Fiscal Analysis

The bill would add survivors of a member of the Texas military forces on state active duty who died in the line of duty to the current list of those eligible to receive certain survivor benefits under Chapter 615 of the Government Code. The bill would also amend the Labor Code to state that the travel of a member of the Texas military forces to or from the member's duty location is considered to be in the course and scope of the member's employment for purposes of the Texas Workers' Compensation Act. The bill would take effect September 1, 2023.

Methodology

Chapter 615 of the Government Code states that the lump sum payment for those eligible to receive benefits is \$500,000, adjusted each year by the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U). According to the Employees Retirement System (ERS), the lump sum payment for fiscal year 2023 was \$554,967. Based on information from the Texas Military Department (TMD) it is estimated there will be four claims per year applicable to the bill. The CPI-U applicable to claims in fiscal year 2024 is 6.5%. Estimates of the Consumer Price Index contained in the Comptroller's Biennial Revenue Estimate published in January 2023 were used for fiscal years 2025 to 2028. Based on these assumptions, it is estimated the cost to General Revenue will be approximately \$2.4 million in fiscal year 2024, \$2.5 million in fiscal years 2025 and 2026, \$2.6 million in fiscal year 2027, and \$2.7 million in fiscal year 2028.

According to the State Office of Risk Management (SORM), the state could experience an increase in claims from the Texas Military Department for state active duty personnel. An increase in workers' compensation claims would be funded through assessments paid by state agencies.

Local Government Impact

Passage of the bill would increase the number of surviving spouses who are eligible for a total exemption from ad valorem taxation of real property.

Source Agencies: 304 Comptroller of Public Accounts, 327 Employees Retirement System, 401 Military Department, 454 Department of Insurance, 479 State Office of Risk Management

LBB Staff: JMc, AF, LCO, JPO, CMA, NV, SMAT