

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 17, 2023

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

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.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB90, Committee Report 2nd House, Substituted : 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>	<i>Probable (Cost) from Crime Victims Comp Acct 469</i>
2024	(\$2,364,159)	(\$2,000,000)
2025	(\$2,484,732)	\$0
2026	(\$2,546,850)	\$0
2027	(\$2,602,881)	\$0
2028	(\$2,660,144)	\$0

Fiscal Analysis

The bill would amend the Code of Criminal Procedure to provide for a lump sum payment of \$500,000 to certain survivors of members of Texas military forces who died on or after March 6, 2021, but before September 1, 2023 and whose death was in connection with operations initiated to address criminal activity in the border region.

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 or while on state training is considered to be in the course and scope of the member's employment for purposes of the Texas Workers' Compensation Act. A survivor of a member of the Texas military forces, as provided by this bill, would not be considered a surviving spouse for the purposes of the total residential homestead exemption for the surviving spouse of a first responder under Section 11.134 of the Tax Code. These provisions apply to deaths that occurred on or after September 1, 2023.

Methodology

The lump sum payment for survivors who died on or after March 6, 2021, but before September 1, 2023 would be paid through Crime Victims' Compensation program, administered by the Office of the Attorney General (OAG). The OAG estimates a fiscal impact of \$2,000,000 out of the GR-Dedicated Compensation to Victims of Crime Account 469 in fiscal year 2024 for this provision of the bill.

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 (CPIU). 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 CPIU 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, for the provisions of the bill applying to Chapter 615, 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

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 327 Employees Retirement System

LBB Staff: JMc, KK, LCO, JPO, NV, HGR