

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 27, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4552 by Gerdes (Relating to the Texas Antidiscrimination Act.), **As Introduced**

<p>No significant fiscal implication to Texas state agencies is anticipated from the implementation of the bill.</p>

Among its provisions, the bill would prohibit certain governmental activities that relate to race, sex, ethnicity, and other demographic and related factors. For example, the bill would prevent governmental entities from awarding contracts based on race, color, ethnicity, sex, gender identity, or sexual orientation. The bill would also mandate that hiring practices be color-blind and neutral, except as required by federal law.

The bill would require agencies to adopt disciplinary policies for employees who violate the provisions of the bill. An individual who believes a governmental entity is violating the bill's requirements could file a complaint with the Office of the Attorney General (OAG). The bill specifies actions that OAG may take in response to such a complaint, including the option to file a writ of mandamus to compel compliance by the governmental entity.

This analysis assumes that agency costs to implement the bill would not be fiscally significant. However, according to CPA, the bill could have financial implications due to potential lawsuits, but the extent and outcome of such legal actions cannot be determined. Therefore, in this regard, the financial implications to the state are indeterminate.

The bill would exempt academic instruction and student organizations from its restrictions.

Local Government Impact

According to OAG, the bill could result in administrative impacts to local governmental entities. These entities would be required to review and revise internal policies, eliminate any prohibited offices or programs. Entities would also be required to implement procedures to discipline employees or contractors who engage in prohibited practices. Therefore, the fiscal impact on local government cannot be determined.

Source Agencies: 242 State Commission on Judicial Conduct, 302 Office of the Attorney General, 303 Facilities Commission, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 352 Bond Review Board, 452 Department of Licensing and Regulation, 503 Texas Medical Board, 529 Health and Human Services Commission, 582 Commission on Environmental Quality, 601 Department of Transportation, 701 Texas Education Agency

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