

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 23, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5007 by Lambert (Relating to the establishment of the Texas Committee on Foreign Investment to review certain transactions involving certain foreign entities; creating a civil penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB5007, As Introduced: a negative impact of (\$4,778,020) through the biennium ending August 31, 2027.

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>
2026	(\$2,444,604)
2027	(\$2,333,416)
2028	(\$2,333,416)
2029	(\$2,333,416)
2030	(\$2,333,416)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$2,444,604)	14.0
2027	(\$2,333,416)	14.0
2028	(\$2,333,416)	14.0
2029	(\$2,333,416)	14.0
2030	(\$2,333,416)	14.0

Fiscal Analysis

The bill would amend the Government Code to establish the Texas Committee on Foreign Investment (committee) to facilitate the review of certain foreign transactions. The committee would be composed of nine members as prescribed by the bill. The Governor, in consultation with the committee, would adopt rules to establish certain criteria to determine the need for review or exemption of certain foreign transactions. The bill would direct certain foreign transactions be reported to the Office of the Attorney General (OAG) within a certain timeframe. The bill would direct the OAG to conduct an initial review and, if warranted, a secondary investigation. The bill would allow for the OAG to bring an action to recover a not to exceed amount in civil penalties per violation. The OAG could also recover legal costs. The bill would direct the committee to submit

a report to the Governor, Lieutenant Governor, and Speaker of the House of Representatives not later than September 1 of each year.

Methodology

According to information provided by the OAG, additional staff would be needed to implement the provisions of the bill. The OAG estimates 14 additional FTEs would be needed: 1 Assistant Attorney General VI, 3 Assistant Attorney General V, 4 Assistant Attorney General IV, 4 Assistant Attorney General III, 2 Legal Assistant IV. The FTE-related costs, including travel and other operating expenses, are estimated to be \$4,778,020 for the 2026-27 biennium.

It is assumed that the Office of the Governor and the General Land Office could absorb the costs related to implementing the bill within current resources.

According to the Office of Court Administration, Comptroller of Public Accounts, Department of Information Resources, Department of Public Safety, Railroad Commission, Public Utility Commission of Texas, and the Department of Agriculture, no significant fiscal impact is anticipated.

The amounts and timing of revenues from penalties imposed by the bill cannot be estimated.

Technology

No technology impact is anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 300 Trusteed Programs Within the Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 313 Department of Information Resources, 405 Department of Public Safety, 455 Railroad Commission, 473 Public Utility Commission of Texas, 551 Department of Agriculture

LBB Staff: JMc, WP, KCu, LCO, NV