

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 11, 2003

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1156 by Giddings (Relating to adoption of the Business Organizations Code.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1156, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$1,174,450
2007	\$1,761,675
2008	\$1,761,675

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2004	\$0
2005	\$0
2006	\$1,174,450
2007	\$1,761,675
2008	\$1,761,675

Fiscal Analysis

The bill would update and combine existing Vernon's Texas Civil Statutes for various business organizations into one Business Organizations Code.

The bill revises, reorganizes, and codifies various Texas statutes governing the formation and internal affairs of for-profit and nonprofit entities. The bill would increase various filing fees that the Secretary of State is authorized to collect.

Methodology

The Secretary of State projects gains in General Revenue derived from filing fee increases. Based on statistical reports the agency maintains on document filings, the agency projects a gain of \$1,174,450

in fiscal year 2006 (prorated on an 8 month basis) and a gain of \$1,761,675 in fiscal year 2007 and subsequent years. The Comptroller of Public Accounts anticipates \$163,310 in administrative costs in fiscal year 2004 associated with implementation of the bill which are not reflected in the above tables. The act would take effect January 1, 2006, and the corresponding existing Texas Civil Statutes would expire on January 1, 2010.

Technology

The bill will require a few modifications to existing applications; however, the impact on information technology will be minimal.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller Of Public Accounts, 307 Secretary Of State

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