

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 409** SLS 24RS 852

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 8, 2024	9:19 AM	Author: JACKSON-ANDREWS
Dept./Agy.: Local Government		Analyst: Tanesha Morgan
Subject: City Court Jurisdiction and Audit Thresholds		

COURTS OR DECREASE LF EX See Note Page 1 of 1
Provides the jurisdictional limits for the City Court of Bastrop. (8/1/24)

Proposed law adds the City Court of Bastrop to the list of city courts where the civil jurisdiction is concurrent with the district court for cases where the amount in dispute does not exceed \$25,000.
Proposed law increases the revenue thresholds for local auditees requiring different levels of financial reporting as follows:
(1) From \$75,000 to \$150,000 for no audit requirement, only a certification
(2) From \$75,000-\$200,000 to \$150,000-\$400,000 for requiring an annual compilation of financial statements
(3) From \$200,000-\$500,000 to \$400,000-\$1 M for requiring an annual review of financial statements with an attestation report
(4) From \$500,000 to \$1 M for requiring an annual audit

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

EXPENDITURE EXPLANATION

The measure is anticipated to decrease auditing expenses for local governments. By raising the revenue thresholds for different levels of financial reporting, the bill allows local governments to opt for less extensive and less costly reporting methods. Many local governments, especially smaller ones, often contract with certified public accountants to conduct their annual audits. With the increased thresholds, fewer local governments would be required to undergo full audits, which are typically more expensive than compilations or reviews. The exact fiscal impact of the passage of this legislation is indeterminable, because it is not known how many local governments will fall into each of the new revenue threshold categories and opt for the less extensive financial reporting methods.

REVENUE EXPLANATION

The measure is anticipated to increase revenue for the City Court of Bastrop. Adding the City Court of Bastrop to the list of city courts with concurrent jurisdiction for civil cases up to \$25,000 expands the court's authority to hear more cases. This change could lead to a higher number of civil filings in the Bastrop City Court. The court currently receives approximately \$200 for each filing. The exact fiscal impact of the passage of this legislation is indeterminable, because it is not known how many people will file civil cases up to \$25,000 with the City Court of Bastrop.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer