

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 30, 2003

TO: Honorable Ron Wilson, Chair, House Committee on Ways & Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1393 by Smith, Wayne (Relating to the application of the sales tax and licensing fees to professional land surveyors.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1393, As Introduced: a negative impact of (\$23,807,000) through the biennium ending August 31, 2005.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$10,522,000)
2005	(\$13,285,000)
2006	(\$13,922,000)
2007	(\$14,659,000)
2008	(\$15,497,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/(Loss) from <i>FOUNDATION SCHOOL FUND 193</i>	Probable Revenue Gain/(Loss) from <i>Cities</i>	Probable Revenue Gain/(Loss) from <i>Transit Authorities</i>
2004	(\$10,660,000)	\$138,000	(\$1,834,000)	(\$661,000)
2005	(\$13,435,000)	\$150,000	(\$2,555,000)	(\$921,000)
2006	(\$14,072,000)	\$150,000	(\$2,672,000)	(\$963,000)
2007	(\$14,809,000)	\$150,000	(\$2,808,000)	(\$1,012,000)
2008	(\$15,647,000)	\$150,000	(\$2,962,000)	(\$1,067,000)

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Counties/Special Districts</i>
2004	(\$229,000)
2005	(\$319,000)
2006	(\$334,000)
2007	(\$351,000)
2008	(\$370,000)

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code to repeal the sales tax on the surveying of real property.

The bill would amend Chapter 1071 of the Occupations Code to add a \$200 fee to applications for registration or renewal of registration for professional land surveyors. GR Account 0193—Foundation School would receive \$50 of each fee; the remaining \$150 would be deposited in the General Revenue Fund 0001.

The bill would take effect October 1, 2003.

Methodology

The estimated loss of sales tax revenue was based on the amount of sales tax currently remitted. The fiscal impact for fiscal 2004 is for a partial year, based on the October 1, 2003 effective date.

The estimate on the number of professional land surveyors that would be subject to the \$200 fee was obtained from the Texas Board of Professional Land Surveying. It was assumed that 3,000 active surveyors would pay the fee.

The effect on Fund 0001 reflects the net fiscal impact of the loss in state sales tax revenue plus the gain from the \$150 portion of the fee. The effect on local government units reflects the losses in sales tax revenue. The effect on GR Account 0193—Foundation School reflects the gains from the \$50 portion of the fee.

Note: Because the bill would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Based on information from the Department of Information Resources, the Board of Professional Land Surveying estimates a one-time \$650 programming costs associated with implementing the bill. It is assumed that they agency could absorb the costs associated with the bill within its current resources.

Local Government Impact

Local units of government would have a corresponding fiscal impact from sales tax revenues, as indicated in the above table.

Source Agencies: 304 Comptroller of Public Accounts, 464 Board of Professional Land Surveying

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