

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 14, 2003

TO: Honorable Rick Hardcastle, Chair, House Committee on Agriculture & Livestock

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2785 by Eiland (Relating to the promotion of the shrimp industry of this state; and providing a source of funding.), **Committee Report 1st House, As Amended**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2785, Committee Report 1st House, As Amended: 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	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>New General Revenue Dedicated-Shrimp Marketing Account</i>	Probable Revenue Gain/ (Loss) from <i>New General Revenue Dedicated-Shrimp Marketing Account</i>	Change in Number of State Employees from FY 2003
2004	(\$250,000)	\$302,000	2.0
2005	(\$250,000)	\$296,000	2.0
2006	(\$250,000)	\$289,000	2.0
2007	(\$250,000)	\$284,000	2.0
2008	(\$250,000)	\$279,000	2.0

Fiscal Analysis

The bill establishes a Texas Shrimp Marketing Assistance Program and Shrimp Advisory Committee, within the Texas Department of Agriculture, and creates a new Shrimp Marketing Account in the General Revenue Fund to fund the Shrimp Marketing Assistance Program. The bill sets a minimum funding level for the program of \$250,000 per fiscal year. However, the bill limits program administrative costs to \$100,000 per fiscal year. The Parks and Wildlife Department is required to increase eight commercial licenses by 10 percent, and deposit revenue collected from the fee increases into the new General Revenue Dedicated - Shrimp Marketing Account.

Methodology

The eight commercial license fees that would be increased by 10 percent are as follows: the wholesale fish dealer; the wholesale truck dealer's fish license; retail fish dealer; retail dealer's truck license; the commercial bay shrimp boat license; the commercial bait-shrimp boat license; the commercial gulf shrimp license; and, the commercial shrimp boat captain's license. Assuming the 10 percent fee increase applies to both resident and non-resident license fees, the annual revenue gain to the new General Revenue Dedicated - Shrimp Marketing Account is estimated to be \$302,000 in fiscal year 2004. The agency anticipates that revenue will decline by 2.5 to 3.0 percent in subsequent fiscal years due to the shrimp license buy back program.

The Department of Agriculture anticipates the program costs to be \$250,000 per fiscal year. These costs include \$82,000 per year for salaries and benefit costs; \$10,000 per year for market research; \$8,000 per year for travel; and \$150,000 per year for promotional activities.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 551 Department of Agriculture, 802 Parks and Wildlife Department

LBB Staff: JK, MS, CL, ZS, JF