

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 9, 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.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2785, As Introduced: a negative impact of (\$64,800) 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	(\$32,400)
2005	(\$32,400)
2006	(\$32,400)
2007	(\$32,400)
2008	(\$32,400)

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>	Probable Savings/(Cost) from <i>General Revenue Fund 1</i>
2004	(\$250,000)	\$217,600	(\$32,400)
2005	(\$250,000)	\$217,600	(\$32,400)
2006	(\$250,000)	\$217,600	(\$32,400)
2007	(\$250,000)	\$217,600	(\$32,400)
2008	(\$250,000)	\$217,600	(\$32,400)

Fiscal Analysis

This 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. The Parks and Wildlife Department is required to increase four commercial shrimping fees by 10 percent, and deposit revenue collected from the fee increases into the new Shrimp Marketing Account.

Methodology

The four commercial license fees that would be increased by 10 percent are as follows: the Commercial bay license; the Commercial bait license; the Gulf shrimp license; and, the Shrimp Boat Captain's license. Assuming the 10 percent fee increase applies to both resident and non-resident license fees, the annual estimated revenue gain to the new General Revenue Dedicated Shrimp Marketing Account would be approximately \$217,600. The agency, however, does anticipate that this revenue may decrease by 2.5 to 3.0 percent in subsequent fiscal years due to the shrimp license buy back program. Since the bill requires an annual budget of at least \$250,000 for the Shrimp Marketing Assistance Program, it is assumed that the General Revenue Fund would make up the difference between revenue collections and the minimum funding level.

The Department of Agriculture anticipates the program costs to be \$250,000 per fiscal year. These costs include \$42,000 a year for salaries, \$10,000 a year for market research, \$8,000 a year for travel, and \$190,000 a year for promotional activities.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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