

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 31, 2003

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3442 by Pickett (Relating to certain expenditures and charges of certain governmental entities.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3442, Conference Committee Report: a positive impact of \$54,354,253 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	\$25,587,535
2005	\$28,766,718
2006	\$28,767,068
2007	\$28,766,718
2008	\$28,766,718

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain from <i>General Revenue Dedicated</i>	Probable Savings/ (Cost) from <i>General Revenue Dedicated</i>
2004	\$5,441,355	\$19,547,180	\$599,000	\$4,358,000
2005	\$5,439,655	\$22,728,063	\$5,502,000	\$5,948,500
2006	\$5,440,005	\$22,728,063	\$5,849,000	\$5,900,500
2007	\$5,439,655	\$22,728,063	\$5,598,000	\$5,852,500
2008	\$5,439,655	\$22,728,063	\$5,598,000	\$5,850,000

Fiscal Year	Probable (Cost) from <i>STATE HIGHWAY FUND 6</i>	Probable Revenue Gain from <i>Other Funds</i>	Probable Savings from <i>FEDERAL FUNDS 555</i>	Probable Savings from <i>Other Funds</i>
2004	(\$51,000)	\$533,000	\$12,125,000	\$3,500,200
2005	(\$51,000)	\$0	\$15,039,200	\$3,554,000
2006	(\$51,000)	\$0	\$15,039,200	\$3,554,000
2007	(\$51,000)	\$0	\$15,039,200	\$3,554,000
2008	(\$51,000)	\$0	\$15,039,200	\$3,554,000

Fiscal Year	Probable Revenue Gain from FOUNDATION SCHOOL FUND 193	Change in Number of State Employees from FY 2003
2004	\$599,000	(3.5)
2005	\$599,000	(8.5)
2006	\$599,000	(8.5)
2007	\$599,000	(8.5)
2008	\$599,000	(8.5)

Fiscal Analysis

The bill would make numerous statutory changes affecting Article VI agencies.

Methodology

Department of Agriculture

Livestock Pens - Revenue gain of \$200,000 each fiscal year in General Revenue Funds, offset by \$200,000 per fiscal year in expenditures out of the General Revenue Fund.

Octane Fee - Revenue gain of \$95,000 each fiscal year in General Revenue Funds.

Weights and measures - No revenue gain, however savings of \$247,917 in fiscal year 2004 and \$475,000 each fiscal year thereafter in General Revenue Funds have been accounted for in CSHB 1. In addition, there would be a reduction of 4.5 FTEs in fiscal year 2004 and 9.5 FTEs each fiscal year thereafter.

Animal Health Commission

Riding Stables - Revenue loss of \$21,200 per fiscal year in General Revenue Funds and a reduction in expenditures of \$26,413 each fiscal year out of General Revenue Funds which has already been accounted for in CSHB 1.

Authorization for Implementation of New Fees - Revenue gain of \$500,000 per fiscal year generated by 50 cent per head of cattle at first-point testing which would be deposited to the credit of the General Revenue Fund to offset appropriations made in CSHB 1.

Commission on Environmental Quality

Expedited Letters - Revenue gain in GR-Dedicated Water Resource Management Account No. 153 of \$225,00 each fiscal year with offsetting expenditures in the same amounts, including the addition of 1 FTE each fiscal year.

Parks and Wildlife

Freshwater Fishing Stamp - Revenue gain of \$4,260,000 beginning in fiscal year 2005 out of the Game, Fish, Water Safety Account No. 9, relating to issuing a freshwater fishing stamp and prohibiting freshwater fishing by persons lacking the stamp. No additional expenditures are anticipated above those included in CSHB 1.

Motorboat Registration - Revenue gain of \$2,040,000 in the GR-Dedicated State Parks Account No. 64, offset by a revenue loss of \$2,040,000 in the GR-Dedicated Game, Fish, Water Safety Account No. 9, by providing that 15 percent of amounts collected from motorboat registration and motorboat manufacturer or dealer registration fees be deposited to the State Parks Account No. 64.

Non-negotiable Titles - Revenue gain of \$299,000 in GR-Dedicated Game, Fish, Water Safety Account No. 9 in fiscal years 2004, 2006 and 2008, and decreased expenditures of \$26,400 in fiscal year 2004 and \$27,900 each fiscal year thereafter, relating to deletion of the requirement for non-negotiable titles for boats.

Railroad Commission

Pipelines - Revenue gain of approximately \$1.4 million each fiscal year in the General Revenue Fund relating to fees assessed against operators of pipelines and pipeline facilities which has already been accounted for in CSHB 1.

Pits and Quarries - Savings of \$51,000 each fiscal year in the General Revenue Fund, with an increase of expenditures of \$51,000 each fiscal year out of the State Highway Fund No. 6 relating to the transfer of functions associated with the Texas Quarry and Pit Safety program from the Railroad

Commission to the Department of Transportation.

Rail Safety - Revenue gain of approximately \$1.4 million each fiscal year in the General Revenue Fund relating to fees assessed on railroads to recover costs for the rail safety program which has already been accounted for in CSHB 1.

Administrative Hearings - Savings in the General Revenue Fund of \$247,050 each fiscal year of the biennium which has already been accounted for in CSHB 1.

Oil Field Cleanup Regulatory Fee - Broadening collection of the Oil Field Cleanup Regulatory Fee will result in increased revenues to the GR-Dedicated Oil Field Cleanup Account No. 145 totaling \$608,000 in 2004, increasing to \$1,113,000 per year by 2007. This estimate assumes all new revenues will be spent on additional cleanups and pluggings.

Soil and Water Conservation Board

Duties of the Board - No significant fiscal impact is anticipated relating to the composition and duties of the Soil and Water Conservation Board, including a joint management audit by the State Auditor and Legislative Budget Board.

Brush Control - No significant fiscal impact is anticipated relating to the provisions regarding eligibility of brush control projects and cost-share requirements.

Water Development Board

Consolidation of

Agricultural-Related Funds - Consolidating the Agricultural Trust Fund No. 562 (Other Funds) and the Agricultural Soil and Water Conservation Account No. 563 (GR-Dedicated) into the Agricultural Water Conservation Fund No. 358 (Other Funds) will result in a loss to the Agricultural Soil and Water Conservation Account No. 563 of \$533,000 in fiscal year 2004 (balance in the account as of August 31, 2003) and a loss to the Agricultural Trust Fund No. 562 of \$15.4 million in 2004 (balance in the account as of August 31, 2003) and losses of \$.0.5 million to \$0.6 million in revenues otherwise accruing to Account 562 each fiscal year from 2005 through 2008. There will be a corresponding increase in revenues to the Agricultural Water Conservation Fund No. 358 equal to the balances and revenues from the accounts being consolidated.

State Agencies

The bill would reduce human resources staffing in state agencies. General Revenue savings would be an annual \$11,994,000; savings to GR-dedicated accounts would be an annual \$1,720,000; savings to federal funds would be an annual \$3,074,000; and savings to other funds would be an annual \$3,406,000.

The bill would require state agencies with 100 or more FTEs to reach a 1:11 manager to staff ratio by 2007. General revenue savings would be \$7,207,800 in fiscal 2004 and \$10,134,600 in fiscal 2005; savings to GR-dedicated accounts would be \$3,497,400 in fiscal 2004 and \$5,498,400 in fiscal 2005; savings to federal funds would be \$9,051,600 in fiscal 2004 and \$11,965,200 in fiscal 2005; and savings to other funds would be \$94,200 in fiscal 2004 and \$148,800 in fiscal 2005.

The bill would increase the fees on landscape architects, interior designers, land surveyors and property tax consultants by \$200, with \$50 allocated to the Foundation School Account and \$150 to general revenue. Gains to general revenue would be an annual \$1,796,000 and gains to the Foundation School Account would be an annual \$599,000.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

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