

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 7, 2003

TO: Honorable Talmadge Heflin, Chair, House Committee on Appropriations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3442 by Pickett (Relating to granting statutory authority to certain governmental entities to reduce certain expenditures and to impose charges in amounts sufficient to recover costs.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3442, Committee Report 1st House, Substituted: a positive impact of \$505,426 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.

Estimated savings should be compared to funding levels sufficient to conform to current policies and law. Estimated savings should not be compared to agency Initial General Revenue/Building Block requests.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$252,713
2005	\$252,713
2006	\$252,713
2007	\$252,713
2008	\$252,713

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings from <i>GENERAL REVENUE FUND</i> 1
2004	(\$21,200)	\$273,913
2005	(\$21,200)	\$273,913
2006	(\$21,200)	\$273,913
2007	(\$21,200)	\$273,913
2008	(\$21,200)	\$273,913

Fiscal Analysis

The bill would repeal statute relating to equine riding stables and would amend statute to allow contested hearings for the Railroad Commission to be conducted by one or more members of the Railroad Commission, Railroad Commission hearings examiners, or the utility division of the State Office of Administrative Hearings (SOAH).

In addition, the bill would authorize state agencies to reduce or recover expenditures by consolidating

reports or publications for filing purposes, extending the effective period for any license, permit or registration; entering into contracts with another governmental entities or private vendors to carry out an agency's duties; adopting additional eligibility requirements for distribution of benefits to eligible persons; providing for electronic communication of items such as applications, notices, billing statements, receipts and certificates; and adopting and collecting fees or charges to recover costs incurred an agency.

Methodology

Animal Health Commission -- Riding Stables

Implementation of the bill would result in a loss to the General Revenue Fund of \$21,200 and a savings of \$26,413 out of the General Revenue Fund each year beginning in fiscal year 2004.

Railroad Commission -- Administrative Hearings

Provisions of the bill relating to administrative hearings would result in a savings of \$247,500 out of the General Revenue Fund each year, assuming the contested hearings would be conducted by Railroad commissioners or hearings examiners and costs would be absorbed within remaining appropriations. This amount is based on an anticipated 2,750 hours of work the Railroad Commission would refer to SOAH each year at a rate of \$90 per hour.

The Railroad Commission would have authority to enter into an annual contract with SOAH at a fixed rate if the legislature makes an appropriation for that purpose. In this case, the savings to the state would depend on the amount appropriated. If the legislature does not make such an appropriation, the Railroad Commission could enter into a contract with SOAH at an hourly rate. In this case, savings would occur to the extent that the Railroad Commission would refer fewer than 2,750 hours worth of work per year to the SOAH.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 360 State Office of Administrative Hearings

LBB Staff: JK, SD, TL, MS