

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**April 29, 2003**

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

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB3442** by Pickett (Relating to statutory authority to reduce appropriations made by the legislature to certain governmental entities.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3442, As Introduced: a negative impact of (\$108,532,584) 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	(\$52,330,442)
2005	(\$56,202,142)
2006	(\$60,330,792)
2007	(\$64,384,142)
2008	(\$68,672,142)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>COASTAL PROTECTION ACCT</i> 27	Probable Savings/ (Cost) from <i>COASTAL PROTECTION ACCT</i> 27
2004	\$7,969,203	(\$60,299,645)	\$6,362,000	(\$7,942,790)
2005	\$7,969,203	(\$64,171,345)	\$6,082,000	(\$7,942,790)
2006	\$7,969,203	(\$68,299,995)	\$23,560,000	(\$7,942,790)
2007	\$7,969,203	(\$72,353,345)	(\$5,501,000)	(\$7,942,790)
2008	\$7,969,203	(\$76,641,345)	\$17,653,000	(\$7,942,790)

Fiscal Year	Probable Revenue Gain/(Loss) from <i>STATE PARKS ACCT</i> 64	Probable Revenue Gain/(Loss) from <i>LOCAL PARKS ACCOUNT</i> 467	Probable Revenue Gain/(Loss) from <i>PARKS/WILDLIFE CAP ACCT</i> 5004
2004	(\$15,500,000)	(\$15,500,000)	\$94,150,000
2005	(\$15,500,000)	(\$15,500,000)	\$98,020,000
2006	(\$15,000,000)	(\$15,500,000)	\$102,079,000
2007	(\$15,500,000)	(\$15,500,000)	\$106,202,000
2008	(\$15,500,000)	(\$15,500,000)	\$110,490,000

## **Fiscal Analysis**

The bill would require several Article VI agencies to reduce or eliminate expenditures as follows:

The bill would require that: (1) the Animal Health Commission reduce expenditures related to riding stables; (2) the General Land Office and Trusteed Programs within the General Land Office reduce expenditures paid for coastal erosion control and its trusteed program; (3) the Natural Resources Code be amended to increase the ceiling of the Coastal Protection Account from \$25 million to \$40 million; (4) the Parks and Wildlife Department reduce expenditures for local park grants; (5) the Parks and Wildlife Code be amended relating to money received from cigarette taxes and deposits to the State Parks Account, and the Texas Recreation and Parks Account; and (6) the Railroad Commission reduce expenditures relating oil spill response, consolidate oil spill response activities with the General Land Office, and implement fees for rail and pipeline safety programs.

## **Methodology**

Animal Health Commission -- Revenue loss of \$21,200 and a reduction in expenditures of \$26,413 out of General Revenue Funds each fiscal year.

General Land Office -- Revenue increases each fiscal year out of the Coastal Protection Account No 027, with the exception of fiscal year 2007 when revenue collections would reach \$40 million and cease. Increased costs out of the Coastal Protection Account of \$7,942,790 each fiscal year, which would offset existing costs out of the General Revenue Fund.

Parks and Wildlife -- Removal of the \$32 million annual cap on sales tax on sporting goods transferred to the Texas Parks and Wildlife Department and removal of the allocation of sporting good sales tax to the GR-dedicated State Parks and the Texas Recreation and Parks accounts would result in these revenues being deposited to the credit of the Texas Parks and Wildlife Conservation and Capital Account No. 5004.

Railroad Commission -- Revenue increases in the General Revenue Fund of approximately \$2.8 million each fiscal year to offset existing costs related to the rail and pipeline safety programs. There would be no significant fiscal implications to consolidating the oil spill response functions.

The Comptroller of Public Accounts projects costs of \$137,010 to notify taxpayers of these changes. However, for the purposes of this fiscal note, it is anticipated the these costs could be absorbed within current resources.

## **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, 455 Railroad Commission, 554 Animal Health Commission, 802 Parks and Wildlife Department

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