

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 24, 2003

TO: Honorable Teel Bivins, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: **HB3442** by Pickett (Relating to certain expenditures and charges of certain governmental entities.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3442, Committee Report 2nd House, Substituted: a positive impact of \$7,810,853 through the biennium ending August 31, 2005.

Estimated savings should be compared to funding levels sufficient to conform to current policies and law. 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 | \$3,792,735 |
| 2005 | \$4,018,118 |
| 2006 | \$4,018,468 |
| 2007 | \$4,018,118 |
| 2008 | \$4,018,118 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND</i> 1 | Probable Revenue Gain from <i>GENERAL REVENUE FUND</i> 1 | Probable Savings/ (Cost) from <i>General Revenue Dedicated</i> | Probable Revenue Gain from <i>General Revenue Dedicated</i> |
|-------------|--|---|--|---|
| 2004 | \$147,380 | \$3,645,355 | \$22,832,944 | \$10,024,000 |
| 2005 | \$374,463 | \$3,643,655 | \$16,071,619 | \$13,985,000 |
| 2006 | \$374,463 | \$3,644,005 | \$28,317,235 | \$14,284,000 |
| 2007 | \$374,463 | \$3,643,655 | (\$72,027,900) | \$13,985,000 |
| 2008 | \$374,463 | \$3,643,655 | (\$30,400) | \$14,284,000 |

| Fiscal Year | Probable (Cost) from <i>STATE HIGHWAY FUND</i> 6 | Change in Number of State Employees from FY 2003 |
|-------------|--|--|
| 2004 | (\$51,000) | (3.5) |
| 2005 | (\$51,000) | (8.5) |
| 2006 | (\$51,000) | (8.5) |
| 2007 | (\$51,000) | (8.5) |
| 2008 | (\$51,000) | (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

PST deadline extension for reimbursements - Savings out of GR-Dedicated PST-related accounts totaling \$22.9 million in 2004, \$16.1 million in 2005, \$28.3 million in 2006 and an increase in costs of \$72 million in 2007.

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.

General Land Office

Increase Fund Balance Cap - Revenue gain of \$9,500,000 each fiscal year due to the increase of cap from \$25 million to \$40 million on the fund balance in the GR-Dedicated Coastal Protection Account No. 027 to offset appropriations made in CSHB 1.

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.

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.

Technology

No significant implications to technology resources are anticipated due to the implementation of the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JK, SD, MS