

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 18, 2003

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1053 by Duncan (Relating to certain water pollution and conservation programs administered by the Texas Water Development Board.), As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for SB1053, As Engrossed: an impact of \$0 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	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>Agriculture Water Conservation Acct 358</i>	Probable Revenue (Loss) from <i>GROUNDWATER DIST LOAN ASST FUND 363</i>	Probable Revenue (Loss) from <i>AGRICULTURAL TRUST FUND 562</i>
2004	\$15,914,000	(\$533,000)	(\$15,381,000)
2005	\$580,000	\$0	(\$580,000)
2006	\$533,000	\$0	(\$533,000)
2007	\$497,000	\$0	(\$497,000)
2008	\$478,000	\$0	(\$478,000)

Fiscal Analysis

The bill would consolidate several water conservation programs. It would abolish the Agricultural Trust Fund No. 562 (Other Funds) and the General Revenue Dedicated Agricultural Soil and Water Conservation Account No. 563 and transfer the assets of both to the Agricultural Water Conservation Fund No. 358 (Other Funds).

The bill also would provide for linked deposits to eligible lending institutions for approved loans for nonpoint source projects for the Clean Water State Revolving program and the Agricultural Water Conservation Program. In addition, it would allow the agency to provide financial assistance to demonstration projects, technology transfers and educational programs.

Methodology

Since the Agricultural Soil and Water Conservation Account No. 563 has no revenue stream, the loss in fiscal 2004 reflects the ending balance in fiscal year 2003. Gains and losses in fiscal years 2005-08 to the Agricultural Trust Fund No. 562 are based on interest on the principal balance currently in the Agricultural Trust Fund No. 562.

Appropriations currently made out of Account No. 563 (estimated to total \$165,000 in 2004 and \$120,000 in 2005 for four agencies) would need to be appropriated from the consolidated Agricultural Conservation Fund No. 358, and "Other Fund" type method of financing from which appropriations currently are not made.

There could be some administrative savings to the Water Development Board, since the bill would reduce the number of accounts from which the agency receives appropriations and provide for more efficient program management. However, since such administrative costs are paid through fees, and since the amount of cost savings is not expected to be significant, administrative savings are not expected to have a significant fiscal impact to the agency.

Local Government Impact

Due to increased program flexibility, more local governments could be eligible to participate in Water Development Board financial assistance programs.

Source Agencies: 304 Comptroller of Public Accounts, 352 Bond Review Board, 580 Water Development Board, 592 Soil and Water Conservation Board
LBB Staff: JK, JO, CL, MS, TL