

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 6, 2005

TO: Honorable Anna Mowery, Chair, House Committee on Land & Resource Management

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB116 by Geren (Relating to the establishment of the farm and ranch lands conservation program.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB116, Committee Report 1st House, Substituted: a negative impact of (\$300,000) through the biennium ending August 31, 2007.

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
2006	(\$150,000)
2007	(\$150,000)
2008	(\$150,000)
2009	(\$150,000)
2010	(\$150,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/ (Loss) from <i>New GR-D Dedicated Texas Farm and Ranch Lands Conservation Fund</i>	Probable Savings/(Cost) from <i>New GR-Dedicated Texas Farm and Ranch Lands Conservation Fund</i>
2006	(\$150,000)	\$150,000	(\$150,000)
2007	(\$150,000)	\$150,000	(\$150,000)
2008	(\$150,000)	\$150,000	(\$150,000)
2009	(\$150,000)	\$150,000	(\$150,000)
2010	(\$150,000)	\$150,000	(\$150,000)

Fiscal Analysis

The bill would create the Texas Farm and Ranch Lands Conservation Program to be administered by the General Land Office (GLO), and a new General Revenue-Dedicated Account within the General Revenue Fund, the Texas Farm and Ranch Lands Conservation Fund, which would consist of money transferred to the account at the direction of the Legislature; public or private gifts, grants, donations, or contributions; and money from other sources including mitigation and bond proceeds. The program would provide matching grants to be used for the purchase of agricultural conservation easements. The maximum state match for these grants is 50 percent, and state administrative costs may not exceed 5 percent of the funds in the new account.

Methodology

The agency anticipates that the Texas Farm and Ranch Lands Conservation program will fund 12 easement grants per year at a cost of \$25,000 each, for total cost of \$300,000. Given that the maximum state match for these grants is 50 percent, the state cost will be \$150,000 a fiscal year.

The GLO anticipates being able to absorb within existing resources any administrative costs associated with this new program .

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 305 General Land Office and Veterans' Land Board

LBB Staff: JOB, WK, ZS, JF