

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

February 23, 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 a program to provide grants to make voluntary purchases of development rights in real property.), **As Introduced**

No significant fiscal implication to the State is anticipated.

Even though the effective date of the bill is September 1, 2003 the following fiscal analysis is based on an effective date of September 1, 2005. The bill, however, could be subject to interpretation because the effective date has already passed.

The bill would create the Texas Legacy Council, and a new General Revenue-Dedicated Account within the General Revenue Fund, Purchase of Development Rights, 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, remediation, and bond proceeds. The program would provide matching grants to be used for the purchase of developmental rights, defined as a conservation easement. 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.

Assuming that the average cost to purchase an easement would be \$100,000 and five were purchased annually, the cost to the state would be \$250,000. In addition, if no other funds were in the account, administrative costs could be as much as \$12,500 per year, or 5 percent of \$250,000 per year.

Note: The legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. Therefore, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. The extent to which a governmental entity is affected would depend on the level of participation by each entity.

Source Agencies: 304 Comptroller of Public Accounts, 356 Texas Ethics Commission, 452 Department of Licensing and Regulation, 464 Board of Professional Land Surveying, 551 Department of Agriculture, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 601 Department of Transportation, 802 Parks and Wildlife Department

LBB Staff: JOB, SD, ZS, JF, KJG