

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 29, 2005

TO: Honorable Jim Keffer, Chair, House Committee on Ways & Means

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

IN RE: HB748 by Smith, Wayne (Relating to the application of the sales tax and licensing fees to professional land surveyors.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB748, As Introduced: a negative impact of (\$20,836,000) through the biennium ending August 31, 2007.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$9,183,000)
2007	(\$11,653,000)
2008	(\$12,318,000)
2009	(\$12,958,000)
2010	(\$13,630,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/(Loss) from <i>FOUNDATION SCHOOL FUND 193</i>	Probable Revenue Gain/(Loss) from <i>Cities</i>	Probable Revenue Gain/(Loss) from <i>Counties/SPDs</i>
2006	(\$9,292,000)	\$109,000	(\$1,613,000)	(\$201,000)
2007	(\$11,772,000)	\$119,000	(\$2,260,000)	(\$281,000)
2008	(\$12,437,000)	\$119,000	(\$2,383,000)	(\$297,000)
2009	(\$13,077,000)	\$119,000	(\$2,503,000)	(\$311,000)
2010	(\$13,749,000)	\$119,000	(\$2,628,000)	(\$327,000)

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Transit Authorities</i>
2006	(\$555,000)
2007	(\$777,000)
2008	(\$820,000)
2009	(\$861,000)
2010	(\$904,000)

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code to repeal the sales tax on the surveying of real property.

The bill would amend Chapter 1071 of the Occupations Code to add a \$200 fee to applications for registration or renewal of registration for professional land surveyors. GR Account 0193—Foundation School would receive \$50 of each fee, and the remainder would be deposited in the General Revenue Fund 0001.

The bill would take effect October 1, 2005.

Methodology

The estimated loss of sales tax revenue was based on the amount of sales tax currently remitted. The fiscal impact for fiscal 2006 is for a partial year, based on the October 1, 2005 effective date.

The bill would increase the fee for the issuance and renewal of registration certificates for land surveyors by \$200. Based on fiscal 2004 collections, and taking into account a reduction in licensees due to the increased fee, for a full year a total of \$119,000 would be deposited to GR Account 0193—Foundation School and \$357,000 would be deposited to the General Revenue Fund 0001. The fiscal impact for fiscal 2006 is for a partial year based on the October 1, 2005 effective date.

The effect on Fund 0001 reflects the net fiscal impact of the loss in state sales tax revenue plus the gain from the \$150 portion of the fee. The effect on local government units reflects the losses in sales tax revenue. The effect on GR Account 0193—Foundation School reflects the gains from the \$50 portion of the fee.

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 the bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

Local units of government would have a corresponding fiscal impact from sales tax revenues, as indicated in the above table.

Source Agencies: 304 Comptroller of Public Accounts, 464 Board of Professional Land Surveying

LBB Staff: JOB, SD, WP, SM