

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 2, 2005

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

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

IN RE: HB1361 by Hardcastle (Relating to the development of an animal identification program; providing a criminal penalty.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1361, As Engrossed: a positive impact of \$60,928 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	(\$101,556)
2007	\$162,484
2008	\$1,235,419
2009	\$1,272,794
2010	\$1,663,484

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from GENERAL REVENUE FUND 1	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2005
2006	\$200,000	(\$301,556)	4.0
2007	\$400,000	(\$237,516)	4.0
2008	\$2,000,000	(\$764,581)	7.0
2009	\$2,000,000	(\$727,206)	7.0
2010	\$2,000,000	(\$336,516)	7.0

Fiscal Analysis

The bill amends Agriculture Code 161.056 authorizing the Texas Animal Health Commission (TAHC) to establish and enforce, by Commission rule, an animal identification program consistent with the National Identification System being developed by the United States Department of Agriculture, and to assess a premises registration fee associated with the program.

Methodology

Although the bill does not set a fee rate for the premises registration, the TAHC proposes a fee rate of \$5 to \$10 a year per premises. Based on a rate of \$10 per year and assuming 10,000 premises are

registered in 2006, 20,000 in 2007; 90,000 registrations and 10,000 renewals in 2008; 80,000 registrations and 20,000 renewals in 2009, the agency anticipates generating \$200,000 in fiscal year 2006, \$400,000 in fiscal year 2007 and approximately \$2,000,000 per fiscal year thereafter. Fees collected will be deposited into the General Revenue Fund.

The TAHC estimates costs per year for the program to be \$301,556 in 2006; \$237,516 in 2007; \$764,581 in 2008; \$727,206 in 2009, and \$336,516 in 2010. Some of these costs could potentially be covered with federal funds should federal funds become available for this program. These costs include four FTEs in fiscal years 2006 and 2007 to run the new animal identification program and provide the necessary technological support for the program and seven FTEs in the subsequent years in order to accommodate the higher registration volume. These costs also include other operating costs for the program, estimated to be \$101,230 in fiscal year 2006 and \$26,460 in fiscal year 2007.

Technology

The estimated fiscal impact for technology is \$149,314 in fiscal year 2006 and \$74,544 in fiscal year 2007. These costs include one FTE for technology support and other one-time technology start-up expenses.

Local Government Impact

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

Source Agencies: 551 Department of Agriculture, 554 Animal Health Commission

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