

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Harvey Hilderbran, Chair, House Committee on Culture, Recreation, & Tourism

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

IN RE: HB2029 by Hilderbran (Relating to commercial bay shrimping boat licenses, commercial bay shrimp boat licenses, and commercial bait-shrimp boat licenses.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2029, As Introduced: a positive impact of \$8,978 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.

The bill would create a new Commercial Bay Shrimp Boat License that authorizes the holder to take shrimp from Texas inside waters for use as either bait or food. The bill would replace the licenses that currently authorize the holder to take bait or food shrimp from Texas inside waters. Licenses are to cost \$170 each, or an amount set by the Texas Parks and Wildlife Commission, whichever is more. The bill would require a holder of a shrimp license to demonstrate that a major portion of the holder’s livelihood is from shrimp before the holder can purchase a license or participate in the license buyback program. This bill would take immediate effect if the bill is passed by a two-thirds vote in each chamber; otherwise, the bill would take effect September 1, 2005.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$4,489
2007	\$4,489
2008	\$4,489
2009	\$4,489
2010	\$4,489

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Revenue Gain/(Loss) from GAME,FISH,WATER SAFETY AC 9
2006	\$4,489	(\$252,648)
2007	\$4,489	(\$252,648)
2008	\$4,489	(\$252,648)
2009	\$4,489	(\$252,648)
2010	\$4,489	(\$252,648)

Fiscal Analysis

The net effect would be an annual decrease in revenue of \$248,159 each fiscal year or a maximum total loss in revenue of \$1,240,795 through 2010.

Methodology

The Texas Parks and Wildlife Department (TPWD) indicates the current license fee for bay shrimp is \$348 plus a 10% surcharge for the Shrimp Marketing Account, a General Revenue-Dedicated account that the Seventy-eighth Legislature did not exempt from funds consolidation. As a result, all revenue collected for this account is deposited to the General Revenue Fund. By law, the surcharge is dedicated to funding a shrimp marketing program that is administered by the Texas Department of Agriculture.

The license fee for bait shrimp is \$348. Revenue from these fees is deposited to the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9. The fee assumed for the new combined license is \$348, consistent with the current fees, but the ten percent surcharge would be collected for all licenses. This estimate assumes, the effect of the bill would be that those shrimpers who now purchase both a bay and bait shrimp license would only have to purchase a single license for \$348 plus the 10% surcharge. TPWD indicates that there are currently 726 shrimpers who purchase both licenses; therefore, the revenue from the sale of 726 bait shrimp licenses would decline by \$252,648.

TPWD indicates that there are currently 129 shrimpers who purchase only the bait shrimp license. This estimate assumes these shrimpers would have to pay \$382.80 rather than \$348, or \$34.80 more per license, for a increase in license fees of \$4,489. All of this revenue would be deposited into the Shrimp Marketing Account (or the General Revenue Fund). The net effect is a decrease in revenue to General Revenue and General Revenue-Dedicated funds of \$248,159. TPWD indicates that currently, no non-resident shrimp licenses are active, so the provision for a non-resident shrimp license will have no fiscal impact.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 802 Parks and Wildlife Department

LBB Staff: JOB, WK, ZS, TB