

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

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

IN RE: HB37 by Solomons (Relating to the retail sale of temperature-adjusted gasoline and diesel fuel.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB37, As Introduced: a negative impact of (\$1,167,467) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$965,574)
2009	(\$201,893)
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2007
2008	(\$965,574)	15.0
2009	(\$201,893)	5.0
2010	\$0	0.0
2011	\$0	0.0
2012	\$0	0.0

Fiscal Analysis

The bill would require all retail fuel pumps in this state to measure gasoline and diesel fuel in temperature adjusted gallons not later than December 31, 2008. The bill would also require the Texas Department of Agriculture (TDA) to define the size of a temperature adjusted gallon for ten different climate divisions as described in the bill. Further, the bill would require TDA to inspect all retail fuel pumps in this state by December 31, 2008 to ensure that all pumps are measuring in temperature adjusted gallons as defined by TDA.

Methodology

In order to define the size of a temperature adjusted gallon for the ten different climate divisions as required by the bill, TDA anticipates needing to contract out to do a one-week study per climate division at a rate of \$50.00 per hour for a total of \$20,000 in fiscal year 2008.

Currently TDA inspects fuel pumps once every four years; this bill would require that TDA inspect and ensure in 16 months time that all retail fuel pumps in this state are measuring in the temperature adjusted gallons as defined by TDA for their specific climate division. In order to implement this provision, TDA anticipates needing 15 additional FTEs in fiscal years 2008 and 2009; these additional FTEs would be employed on a temporary basis until January 1, 2009. Salary and benefit costs for the additional FTEs for fiscal year 2008 would be \$450,000 and \$127,305, respectively; these costs for fiscal year 2009 would be \$150,000 and \$42,435. Since the 15 FTEs would be employed for only 4 months of fiscal year 2009, the additional FTEs for fiscal year 2009 have been prorated accordingly. The start up cost for 15 additional FTEs, including \$240,000 for the purchase of 15 new vehicles and \$36,000 for 15 laptop computers and software, is estimated to be \$305,700 in fiscal year 2008.

TDA also anticipates that it would be necessary to hold a one-time training for the new FTEs and current TDA weights and measures inspectors who will be performing the inspections. This would be a three-day training for approximately 123 employees, the majority of which are in TDA field offices; the estimated one-time cost in fiscal year 2008 to fund this training is \$34,194 including lodging for these employees.

Technology

Start-up figures include \$36,000 for the purchase of 15 laptop computers and software.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 551 Department of Agriculture

LBB Staff: JOB, WK, ZS, JF