

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 15, 2007**

**TO:** Honorable Craig Estes, Chair, Senate Committee on S/C on Ag., Rural Affairs & Coastal Resources

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

**IN RE: HB461** by Miller (Relating to participation in an animal identification system. ), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

This bill amends section 161.056 of the Texas Agriculture Code to make participation in a state premises registration and animal identification program voluntary. The bill also allows the Commission to implement a mandatory program if the federal animal identification program becomes mandatory, repeals the penalty provision related to noncompliance with Commission rules adopted for the program, and requires the Commission to provide notice to all Texas premise registrants regarding statutory changes made by the bill.

The US Department of Agriculture currently funds the state's premises registration and animal identification program. The annual cost of the program is an estimated \$357,173. At present, the Animal Health Commission has registered approximately 27,000 premises and issued animal identification tags on a pilot project basis and for outreach purposes. The current program is operated on a voluntary basis.

Since USDA currently allows for voluntary participation in the premises registration and animal identification program, this analysis assumes that the state would continue to receive federal funds to administer a voluntary state program. Other costs associated with implementation of this legislation, the cost of a mail-out notifying current registrants that they may opt-out of the program, are not significant (\$15,000 per year). Finally, although this bill authorizes the Commission to collect an annual fee from registrants, since the premises registration and animal identification program would be voluntary; this fee is not expected to generate significant revenue.

**Local Government Impact**

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

**Source Agencies:** 554 Animal Health Commission

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