

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 19, 2007

TO: Honorable Phil King, Chair, House Committee on Regulated Industries

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

IN RE: HB1255 by Isett, Carl (Relating to the discontinuation of the Telecommunications Infrastructure Fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1255, As Introduced: a negative impact of (\$369,149,000) through the biennium ending August 31, 2009.

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
2008	(\$157,964,000)
2009	(\$211,185,000)
2010	(\$211,754,000)
2011	(\$212,325,000)
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2008	(\$157,964,000)
2009	(\$211,185,000)
2010	(\$211,754,000)
2011	(\$212,325,000)
2012	\$0

Fiscal Analysis

The bill would repeal Chapter 57, Subchapter C of the Utilities Code, abolishing the Telecommunications Infrastructure Fund (TIF) assessment, effective October 1, 2007. The bill also would abolish statutory requirements of funding TIF programs and make conforming changes. The bill would set the due date for the TIF assessment imposed for the 3rd quarter of calendar 2007 on the last day of October 2007.

Methodology

The bill's fiscal impact is based on the Comptroller's 2008-09 Biennial Revenue Estimate. Abolishment of the TIF assessment, effective October 1, 2007, would result in an estimated loss of approximately \$158 million in FY2008 and approximately \$211-213 million each year until FY2012,

at which point the assessment would have expired unless continued as provided by Chapter 325 of the Government Code (the Texas Sunset Act). The FY2008 amount is reduced to represent the receipt of one calendar quarter of revenue.

Technology

This bill would have no significant technology fiscal impact to the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 701 Central Education Agency

LBB Staff: JOB, JRO, UP, JGM