

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 26, 2007

TO: Honorable Rick Hardcastle, Chair, House Committee on Energy Resources

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

IN RE: HB3739 by Crownover (Relating to the fees on the delivery of certain petroleum products.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB3739, Committee Report 1st House, Substituted: a positive impact of \$1,190,000 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	\$563,000
2009	\$627,000
2010	\$637,000
2011	\$651,000
2012	\$670,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Revenue Gain/(Loss) from PETRO STO TANK REMED ACCT 655
2008	\$563,000	\$27,610,000
2009	\$627,000	\$30,705,000
2010	\$637,000	\$31,233,000
2011	\$651,000	\$31,913,000
2012	\$670,000	\$32,814,000

Fiscal Analysis

The bill would extend the Petroleum Products Delivery fee beyond August 31, 2007, the date on which the fee is set to expire. The fee would be assessed at a rate of 40 percent of the current rate, and it would continue to be based on volume and cargo tank capacity. The fee would range from \$3.75 to \$15 per delivery, or at a rate that is just less than one-third the rate being assessed during the 2006-07 biennium.

Revenues collected under the bill would be subject to a 2 percent service charge and would be deposited to the General Revenue Fund. The balance would be deposited to the General Revenue Dedicated Petroleum Storage Tank Remediation Remediation Account.

Methodology

This estimate assumes that the continuation of the fee would not have a significant effect on the number of withdrawals from bulk petroleum facilities. The Comptroller provided the estimated additional revenues shown in the table above. An allowance was made in 2008 for the receipt by the Comptroller of a one-month remittance of the fee that will be collected in August 2007 at the 2007 rate under current law. An allowance was also made for the service charge to the General Revenue Fund.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality
LBB Staff: JOB, WK, ZS, TL