

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

**TO:** Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

**IN RE: HB3764** by O'Day (Relating to use of marine dealer, distributor, and manufacturer numbers and issuance of validation cards.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3764, As Engrossed: an impact of \$0 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	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from GAME,FISH,WATER SAFETY AC 9	Probable (Cost) from GAME,FISH,WATER SAFETY AC 9
2008	\$15,000	(\$80,004)
2009	\$45,000	(\$2,700)
2010	\$45,000	(\$2,700)
2011	\$45,000	(\$2,700)
2012	\$45,000	(\$2,700)

Fiscal Analysis

The bill would amend the Parks and Wildlife Code to establish a "validation card" that would permit boat dealers, distributors, and manufacturers the limited and temporary use of vessels for recreational purposes or participating in events. The bill would take effect September 1, 2007.

Methodology

Revenue is estimated at \$15,000 in fiscal year 2009, and \$45,000 in fiscal year 2009 and each year thereafter. Costs are estimated at \$80,004 in fiscal year 2008, including the technology charge (\$75,000) and \$2,700 in fiscal year 2009 and each year thereafter. The revenues and costs will both impact the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9.

Based on the number of active marine licenses there are approximately 1,200 boat dealers, distributors and manufacturers. At the launch of the program in fiscal year 2008 each dealer, distributor or manufacturer would receive one validation card at no cost. Marine licenses are good for two years, at the time of renewal each dealer would then be required to purchase the validation card. After fiscal year 2008 approximately 50 percent of licenses would be up for renewal each year (600).

Additionally, it is estimated that each year about 300 additional validation cards would be sold. Total revenue is calculated by the per unit validation of \$50 multiplied by 300 in fiscal year 2008, and 900 in fiscal year 2009 and each year thereafter.

The cost to produce the validation card is estimated at \$3 per unit. In order to have adequate inventory of the cards an additional 300 cards will be produced for a total quantity of 1500 in fiscal year 2008 and 900 in fiscal year 2009 and each year thereafter.

Total fiscal year 2008 costs will include 1500 validation cards (cost of \$4,500), costs of mailing the cards to an estimated 1,200 existing dealers (42 cents per for postage per card per dealer = \$504). Finally, the programming costs associated with updating the TPWD boat registration and titling system is estimated at 750 hours or \$75,000.

### **Technology**

There would be an estimated 750 hours (\$75,000) to reprogram the Boat Registration Information & Titling System to accommodate the new cards.

### **Local Government Impact**

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

**Source Agencies:** 802 Parks and Wildlife Department

**LBB Staff:** JOB, CT, WK, ZS, TB