

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 11, 2007

TO: Honorable John Carona, Chair, Senate Committee on Transportation & Homeland Security

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

IN RE: SB11 by Carona (Relating to homeland security; providing a penalty.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB11, Committee Report 1st House, Substituted: a negative impact of (\$13,787,754) 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	(\$2,136,190)
2009	(\$11,651,564)
2010	(\$14,426,980)
2011	(\$15,121,931)
2012	(\$15,915,967)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain from <i>STATE HIGHWAY FUND</i> 6
2008	(\$2,136,190)	\$21,099,555
2009	(\$11,651,564)	\$21,479,350
2010	(\$14,426,980)	\$21,865,975
2011	(\$15,121,931)	\$22,259,565
2012	(\$15,915,967)	\$22,660,235

Fiscal Analysis

The bill would require the Emergency Management Division (EMD) within the Texas Department of Public Safety (DPS) to administer the Texas Statewide Mutual Aid System (system). In administering the system, the bill requires the EMD to assist political subdivisions in planning and implementing comprehensive all-hazards emergency management programs, including assisting political subdivisions to ensure that the local emergency management plan of each subdivision adequately provides for the rendering and receipt of mutual aid. The bill also would require the EMD to administer all requests for reimbursement for costs associated with providing mutual aid assistance in response to a request made by the state for an incident resulting in the issuance of a federal disaster declaration. The bill would require the EMD to develop reimbursement request procedures. The bill would require the EMD to coordinate the establishment and maintenance of a list of state employees who are amateur radio operators.

The bill would amend the Penal Code by enhancing the punishment for the offense of burglary of a vehicle from a Class A misdemeanor to a state jail felony. The change in law made by this Act applies only to an offense committed on or after the effective date of the bill.

The bill would amend the Transportation Code to require the Texas Department of Transportation (TxDOT) to develop and maintain secure, real-time databases of information on vehicles to which dealers and converters have affixed temporary cardboard tags and on persons to whom temporary buyer's tags are issued to be managed by the vehicle titles and registration division of TxDOT. The bill would specify that the databases must allow law enforcement agencies to use the vehicle-specific number assigned to and displayed on the temporary tag to obtain information about the dealer or converter that owns the vehicle and on persons to whom temporary tags are issued. The bill would require a vehicle dealer to charge a buyer a fee for a temporary cardboard tag of not more than \$5, as prescribed by TxDOT, to be sent to the Comptroller for deposit to the credit of the State Highway Fund. The bill would establish criminal penalties for unauthorized production, reproduction, purchasing, selling, or displaying of a temporary tag. The bill would require TxDOT to adopt rules to implement the new temporary tag databases and procedures as soon as practicable after the effective date of the act.

Except as otherwise provided by the bill, the bill would take effect on September 1, 2007. Provisions of the bill relating to certain disaster response procedures for political subdivisions would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2007.

Methodology

Based on the analysis of DPS, it is assumed the costs and duties associated with implementing the emergency management provisions of the bill could be absorbed within the agency's current appropriations and, therefore, would not result in a significant fiscal impact to the state.

For fiscal year 2006, it is estimated that there were 1,617 misdemeanor probation placements for the offense of burglary of a vehicle. Based on direct court sentencing trends, it is assumed that 47 percent of the 1,617 placements would be sentenced directly to a term of incarceration in a state jail facility. It is also assumed that the remaining 53 percent of placements would be placed under felony probation supervision. Offenders placed on felony probation would have a revocation rate of 26 percent after 3 years of supervision.

In order to estimate the future impact of the proposal, the changes proposed for admission and release policy are applied in a simulation model, to (1) state jail admissions that reflect the distribution of offenses, sentence lengths, and time served, and (2) the increase in the number of people on community supervision. Included in the estimated costs are projected community supervision operating costs.

Costs of incarceration by the Department of Criminal Justice are estimated on the basis of \$36.53 per state jail inmate per day for state jail facilities, reflecting approximate costs of either operating facilities or contracting with other entities. No costs are included for state jail construction. Options available to address the increased demand for state jail capacity that would result from implementation of the bill include construction of new facilities and contracting with counties or private entities. Costs of community supervision are estimated on the basis of \$2.55 per day.

Based on the information and analysis provided by TxDOT, it is assumed that a revenue gain of approximately \$21.1 million would result from the issuance of an estimated 4.1 million buyer's temporary cardboard tags at \$5 each in fiscal year 2008, and that the number of transactions would increase by 1.8 percent each year thereafter. The fees would be deposited to the credit of the State Highway Fund, pursuant to the provisions of the bill. It is assumed any costs or duties associated with implementing the applicable provisions of the bill could be absorbed with the agency's existing resources.

Local Government Impact

There would be no fiscal impact on an incorporated city, county, or joint board to appoint an emergency management director as outlined in Section 1.02 of the bill. It is assumed that a local governmental entity would enter into an agreement to render mutual aid assistance only if the funds are available or with the understanding that there would be costs associated with providing the assistance.

Increasing the penalty for the offense of burglary of a motor vehicle from a Class A misdemeanor to a state jail felony would represent a shift in responsibility from local government to the State in dealing with incarceration expenses. The shift would represent a significant increase in demands upon the correctional resources of the State; however, the positive impact to local government would be spread proportionately (based on the frequency of convictions).

Source Agencies: 301 Office of the Governor, 405 Department of Public Safety, 601 Department of Transportation, 701 Central Education Agency

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