

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 26, 2007

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

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

IN RE: SB626 by Harris (Relating to the requirement to complete the boater education course and the deposit of fees from that course.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB626, As Introduced: a negative impact of (\$67,620) 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	(\$33,810)
2009	(\$33,810)
2010	(\$33,810)
2011	(\$33,810)
2012	(\$33,810)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/(Loss) from <i>GAME, FISH, WATER SAFETY AC 9</i>	Probable Savings/ (Cost) from <i>GAME, FISH, WATER SAFETY AC 9</i>	Change in Number of State Employees from FY 2007
2008	(\$33,810)	\$5,033,810	(\$4,770,716)	3.0
2009	(\$33,810)	\$333,810	(\$476,071)	3.0
2010	(\$33,810)	\$333,810	(\$476,994)	3.0
2011	(\$33,810)	\$333,810	(\$476,994)	3.0
2012	(\$33,810)	\$333,810	(\$477,918)	3.0

Fiscal Analysis

The bill would amend the Parks and Wildlife Code to require all persons operating a motor boat (over 10 horsepower), a windblown vessel (over 14 ft), or a vessel carrying passengers for hire to successfully complete a boater education course. The bill would also direct that fees collected from boater education courses shall be deposited into the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9. The bill would take effect September 1, 2007.

Estimated revenue gain to the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9 of \$6.7 million in the period covered by the fiscal note, offset by costs of \$7.2 million during the same time-frame. The estimated loss to General Revenue is \$33,810 in each year.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

Currently, individuals 18 years or older or those supervised by an individual over 18 are exempted from boater education requirements. The bill would remove age exemptions and also adds those persons operating vessels carrying passengers for hire to the list of those required to take boater education.

Revenue:

The Texas Parks and Wildlife Department (TPWD) estimates that the removal of age exemptions and addition of a new category of persons required to take boater education courses will result in additional revenue to TPWD of \$5.0 million in fiscal year 2008 and \$300,000 in each year thereafter. These estimates are based on the following assumptions: (1) In the first year, there will be a rush by existing registered boaters (currently numbering 600,000) to become certified. TPWD estimates that 500,000 individuals will take the course in fiscal year 2008. The course/exam fee is \$10. (2) The number of boaters requiring certification in subsequent years will be 30,000.

Section 4 of the bill requires boater education fees to be deposited into the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9. Currently, fees are deposited into General Revenue. There would be an estimated revenue loss to General Revenue and offsetting revenue gain to the Game, Fish and Water Safety Account No. 9 totaling \$33,810 in each year due to this change

Additional FTEs: The boater education program currently relies on 2 field staff and one administrative staff (Austin based) for approximately 10,000 students. To meet the additional demand for boater education courses resulting from this bill, TPWD would require an additional three (3) FTEs. Funding for two (2) additional field staff would be needed to provide additional volunteer instructor and student courses across the state. Specific duties would include water safety presentations, in-service training of instructors, media presentations and communications, volunteer management, etc. Cost estimates reflect salaries, travel, operating (supplies, materials, fuel, course location rental), equipment (trucks, personal watercraft, trailers, etc.) for these staff. TPWD also estimates that one (1) administrative staff and associated operating costs would be necessary to provide administrative services such as record keeping, handling telephone calls, public requests, and supply orders.

Contracted Services- Internet Courses: TPWD currently has an agreement with a company that administers Internet and home study boater education courses. TPWD remits a service fee of \$10 to the Internet provider for each boater identification card issued. An estimated 440,000 individuals will take the internet/home based courses in fiscal year 2008, dropping to 20,000 in each year thereafter. The estimated cost of the agreement is \$4.4 million in the first year, and \$200,000 in each year thereafter.

Technology

Desk and laptop computers, printers and projectors for additional FTEs, with anticipated replacement of computers in fiscal year 2013 (based on 5-year replacement cycle).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 802 Parks and Wildlife Department

LBB Staff: JOB, WK, ZS, TB