

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 2, 2007

TO: Honorable Joe Driver, Chair, House Committee on Law Enforcement

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

IN RE: SB1970 by Hinojosa (Relating to the destruction by the Department of Public Safety of the State of Texas of drugs and controlled substances seized by a state, local, or federal agency and the fee charged by the department for that service.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1970, 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 Savings/(Cost) from <i>STATE HIGHWAY FUND</i> 6	Probable Revenue Gain from <i>STATE HIGHWAY FUND</i> 6	Change in Number of State Employees from FY 2007
2008	(\$1,406,819)	\$176,705	3.0
2009	(\$176,705)	\$176,705	3.0
2010	(\$176,705)	\$176,705	3.0
2011	(\$176,705)	\$176,705	3.0
2012	(\$180,071)	\$176,705	3.0

Fiscal Analysis

The bill would amend the Government Code relating to the destruction by the Department of Public Safety (DPS) of drugs and controlled substances seized by a state, local, or federal agency and the fee charged by the department for that service.

The bill would amend the Government Code, Chapter 411 which states DPS may provide for the destruction of drugs and other controlled substances seized by state, local, or federal agencies. The bill states DPS may charge a fee to a state, local or federal agencies to recover the direct and indirect costs to the department for administering these services. DPS may charge different fee amounts for agencies based on differing circumstances, including the volume or weight of the material to be

destroyed. The bill would require DPS to deposit the fees charged in the state treasury outside of the general revenue fund. DPS would be required to spend the money in the fund only for the purpose of administering the destruction of seized drugs and controlled substances. The bill would take effect immediately if it is passed by two-thirds votes of all members of each house. Otherwise, the bill would take effect on September 1, 2007.

Methodology

DPS states in order to provide reasonable drug destruction service to all areas of Texas, the agency would need to acquire and operate a system of 3 trench burner type incinerators: one in South Texas, one in West Texas, and one in North Central Texas. DPS states that the cost for this type of incinerator is estimated to be \$206,000 per incinerator, for a total of \$618,000 for three units in fiscal year 2008. In addition, DPS estimates the cost of land and improvements is \$200,000 per site, for a total of \$600,000 for land and improvements at all three sites in fiscal year 2008.

This analysis assumes an additional 3 evidence technician FTEs would be required each year to implement the provisions of the bill, to operate the incinerator, to book and schedule operations, and to control and maintain each of the three sites and facilities (3 B5 positions at \$28,666 per year plus estimated employee benefit costs at 28.29 percent of salary costs). Other operating expenses are estimated to be \$78,492 in fiscal year 2008, \$66,378 in fiscal years 2009 through 2011, and \$69,744 in 2012 for the maintenance and repair of office machines and computer equipment, computer supplies, non-capital computer equipment, and furniture and equipment.

Any revenues generated through fees would at least partially offset these costs. This analysis assumes that revenues would be deposited in the State Highway Fund No. 006 and would be sufficient to cover the on-going operational costs to the department.

The Comptroller of Public Accounts also stated that the bill would do one or more of the following: 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. Legislative policy, implemented as Government Code 403.094, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993, and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Technology

The technology costs for fiscal year 2008 include \$5292 for an additional computer, printer, and enterprise agreement. The technology cost for future fiscal years is \$447 (\$149 for each FTE in fiscal years 2009 through 2012) for enterprise agreements.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety

LBB Staff: JOB, ES, GG, LG, VDS