

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 6, 2009

TO: Honorable Yvonne Gonzalez Toureilles, Chair, House Committee on Agriculture & Livestock

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

IN RE: HB2312 by Gattis (Relating to the creation of a rural economic development and investment program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2312, As Introduced: a negative impact of (\$10,000,000) through the biennium ending August 31, 2011.

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
2010	(\$5,000,000)
2011	(\$5,000,000)
2012	(\$5,000,000)
2013	(\$5,000,000)
2014	(\$5,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$5,000,000)	1.0
2011	(\$5,000,000)	1.0
2012	(\$5,000,000)	1.0
2013	(\$5,000,000)	1.0
2014	(\$5,000,000)	1.0

Fiscal Analysis

The bill would amend the Agriculture Code to create the Rural Economic Development and Investment Program at the Department of Agriculture (TDA) to encourage private economic development in rural areas. The financial assistance provided under this program would be used for: the acquisition or development of land, easements, or rights-of-way; attracting new private enterprises to rural counties and municipalities; the construction, extension, or other improvement of water or waste disposal facilities or transportation infrastructure; or any other activity relating to private economic development that will encourage economic and infrastructure development in a rural area.

The bill would take effect September 1, 2009.

Methodology

Based on information provided by TDA, it is anticipated that the Rural Economic Development and Investment Program would provide \$4,922,005 in financial assistance in fiscal year 2010 and \$4,925,505 in subsequent years. To implement the provisions of the bill, TDA would need 1.0 additional FTE to assist in the administration of the program. The annual salary for this position would be \$52,419, with estimated annual benefits costs of \$14,976. Related operating, travel and equipment costs are estimated to be \$10,600 in fiscal year 2010 and \$7,100 in subsequent years.

Technology

The cost for computer equipment, software, and data center services would be \$5,600 in fiscal year 2010 and \$2,100 in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 551 Department of Agriculture

LBB Staff: JOB, ZS, AH, SD