

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: HB4578 by Martinez, "Mando" (Relating to the establishment of the official citrus producers' pest and disease management corporation; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4578, As Introduced: a negative impact of (\$383,700) 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 | (\$4,500) |
| 2011 | (\$379,200) |
| 2012 | (\$4,500) |
| 2013 | (\$4,500) |
| 2014 | (\$4,500) |

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 | (\$4,500) | 0.0 |
| 2011 | (\$379,200) | 2.5 |
| 2012 | (\$4,500) | 0.0 |
| 2013 | (\$4,500) | 0.0 |
| 2014 | (\$4,500) | 0.0 |

Fiscal Analysis

The bill would amend the Agriculture Code to create the Texas Citrus Pest and Disease Management Corporation, Inc. The corporation would be a Texas nonprofit corporation that would be recognized by the Department of Agriculture (TDA) as the entity to plan, carry out, and operate suppression programs to manage and control the Asian citrus psyllid and citrus greening in citrus plants in Texas under the supervision of TDA.

The bill would require TDA to form advisory committees to gather, advise, input, and receive guidance from citrus producers from the area represented by the committee concerning the interests in and concerns about the implementation of the requirements of the bill. The bill would require the Commissioner of Agriculture to conduct a referendum in each proposed pest management zone to

determine whether the citrus producers want to establish a pest management zone.

The bill would require the corporation to have an annual independent audit, and would authorize the State Auditors Office (SAO) to examine any audit performed and allow the SAO to conduct its own audit if necessary.

The bill would authorize TDA, the corporation, or their designated representative to enter citrus groves or other premises to treat and monitor growing citrus or other host plants. The bill would allow TDA to destroy or treat citrus plants or hosts in pest management zones if it is determined that the action is necessary.

The bill would give TDA the authority to issue, or authorize the issuance of, a certificate that indicates that a regulated article is not infested with the Asian citrus psyllid and a permit that provides for the movement of a regulated article to a restricted destination for limited handling, use, or processing.

The bill would take effect September 1, 2009.

Methodology

The SAO indicates that a review of the independent audit of the Texas Citrus Pest and Disease Management Corporation would require 50 hours annually, or the equivalent of \$4,500. The SAO indicates that since the Corporation would be formed and fully functioning by the end of fiscal year 2010, they would conduct an audit of the Corporation's transactions during fiscal year 2011. It is anticipated that such an audit would include 4,000 hours of work, or \$360,000 plus travel costs of \$19,200, and an additional 2.5 FTEs. The SAO indicates that in accordance with current Government Code 321.013, all additional duties and responsibilities prescribed by the bill would be proposed in the SAO's annual audit plan for Legislative Audit Committee approval.

Local Government Impact

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

Source Agencies: 116 Sunset Advisory Commission, 302 Office of the Attorney General, 308 State Auditor's Office, 551 Department of Agriculture, 710 Texas A&M University System Administrative and General Offices

LBB Staff: JOB, ZS, AH, SD