

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 5, 2009

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

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

IN RE: SB1016 by Estes (Relating to the continuation and functions of the Department of Agriculture and the Prescribed Burning Board and the abolition of the Texas-Israel Exchange Fund Board.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1016, As Introduced: a negative impact of (\$285,846) 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	(\$146,923)
2011	(\$138,923)
2012	(\$138,923)
2013	(\$138,923)
2014	(\$138,923)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Texas Agricultural Fund</i> 683	Change in Number of State Employees from FY 2009
2010	(\$146,923)	(\$150,988)	4.0
2011	(\$138,923)	(\$143,988)	4.0
2012	(\$138,923)	(\$143,988)	4.0
2013	(\$138,923)	(\$143,988)	4.0
2014	(\$138,923)	(\$143,988)	4.0

Fiscal Analysis

The bill would amend the Agriculture Code and the Government Code to continue the Department of Agriculture and the Prescribed Burning Board for 12 years and would abolish the Texas-Israel Exchange Fund Board.

The bill would modify the Linked Deposit Program of TDA to become the Interest Rate Reduction Program to foster the creation and expansion of enterprises based on agriculture in Texas. The bill would provide that the Commissioner of Agriculture, rather than the Governor, appoints the Board of Directors of the Texas Agricultural Finance Authority (TAFA) and adds two members representing young farmers to the Board.

The bill would set requirements on the issuance of debt by the Texas Public Finance Authority (TPFA). The bill would change the Young Farmer Loan Guarantee Program to the Agricultural Loan Guarantee Program. The bill would create the Young Farmer Interest Rate Reduction Program and the Young Farmer Grant Program to promote the creation and expansion of agricultural businesses by young people.

The bill would amend the Natural Resources Code to allow certified and insured prescribed burn managers to conduct a burn in a county in which a state of emergency or disaster has been declared. The bill would require TDA to receive and process complaints concerning prescribed burn managers and impose administrative sanctions for violations.

The bill would create the Texas-Israel Exchange Research Program at TDA and the Texas-Israel Exchange Advisory Committee to support joint agricultural research and development with Israel.

The bill would abolish the Wine Industry Development Advisory Committee and the Wine Marketing Assistance Program Advisory Committee and create the Wine Industry Development and Marketing Advisory Committee to assist the Commissioner of Agriculture in establishing and implementing the Texas Wine Marketing Assistance Program.

The bill would require the Commissioner of Agriculture, rather than the Governor, to appoint the members of the State Seed and Plant Board and the Produce Recovery Fund Board.

The bill would require businesses, rather than individuals, to be licensed as public weighers.

The bill would expand claims available from the Produce Recovery Fund.

The bill would eliminate regulation of rose graders, cash produce dealers, piece rates, and cooperative marketing associations.

The bill would modify TDA's licensing and enforcement functions by increasing the agency's administrative penalty authority and allowing the agency to establish a risk-based approach to all inspection activities, stagger license renewals, and charge fees for duplicate licenses.

The bill would apply general licensing provisions of the Agriculture Code to the Structural Pest Control Act.

The bill would take effect September 1, 2009.

Methodology

The Sunset Advisory Commission indicates that TDA would require 3.0 FTEs to implement the provisions of the bill, including 2.0 FTEs to manage the Agricultural Loan Guarantee Program, the Young Farmer Interest Rate Reduction Program, and the Young Farmer Grant Program, and 1.0 FTE to manage the modified prescribed burn manager program. The 2.0 FTEs which would manage the various TAFAs would be paid from the Texas Agricultural Fund No. 683, and would have related costs of \$150,988 in fiscal year 2010 and \$143,988 in subsequent years, including salary, benefits, and other operating expenses. The 1.0 additional FTE to manage the prescribed burn manager program would require an annual salary of \$52,419, with related benefits of \$14,976, and related travel, equipment, and other operating expenses of \$10,100 in fiscal year 2010 and \$2,100 in subsequent years.

TPFA indicates that they would require 1.0 additional FTE to implement the provisions of the bill related to TAFAs transferring its debt issuance and authority responsibilities to TPFA. This 1.0 additional FTE would require a salary of \$54,000 with related benefits of \$15,428.

Technology

The cost for computer equipment, software, and data center services would be \$5,560 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: 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs, 347 Public Finance Authority, 458 Alcoholic Beverage Commission, 551 Department of Agriculture, 576 Texas Forest Service, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 710 Texas A&M University System Administrative and General Offices, 802 Parks and Wildlife Department

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