

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 17, 2009

TO: Honorable Craig Estes, Chair, Senate Committee on Agriculture & Rural Affairs

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

IN RE: SB1666 by Estes (Relating to the establishment of the Texas Bioenergy Policy Council and the Texas Bioenergy Research Committee.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1666, Committee Report 1st House, Substituted: a negative impact of (\$340,114) 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	(\$176,057)
2011	(\$164,057)
2012	(\$164,057)
2013	(\$164,057)
2014	(\$164,057)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2009
2010	(\$176,057)	2.0
2011	(\$164,057)	2.0
2012	(\$164,057)	2.0
2013	(\$164,057)	2.0
2014	(\$164,057)	2.0

Fiscal Analysis

The bill would amend the Agriculture Code to establish the Texas Bioenergy Policy Council and the Texas Bioenergy Research Committee. The Texas Bioenergy Policy Council would (1) provide a vision for unifying the state’s agricultural, energy, and research strengths in a successful launch of a cellulosic biofuel industry; (2) foster development of cellulosic-based fuels; (3) pursue the creation of a next-generation biofuels energy research program; and (4) work to procure federal and other funding to aid Texas in becoming a bioenergy leader.

The Texas Bioenergy Research Committee would: (1) identify and research appropriate and desirable biomass feedstock; (2) investigate logistical challenges to the planting, harvesting, and transporting of large volumes of biomass and provide recommendations to the policy council that will aid in overcoming barriers to the transporting, distributing, and marketing of bioenergy; (3) identify

strategies for and obstacles to the potential transition of the agriculture industry in western regions of Texas to dryland bioenergy crops that are not dependent on groundwater resources; and (4) explore regions in the state that may contain marginal land available for growing bioenergy feedstocks.

The bill would require the Department of Agriculture (TDA) to provide administrative support, including staff, to the Texas Bioenergy Policy Council and provide TDA the authority to allocate appropriate administrative support to the Texas Bioenergy Research Committee.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house; otherwise it would take effect September 1, 2009.

Methodology

TDA indicates that 2.0 FTEs would be required to provide administrative support for the Texas Bioenergy Policy Council and the Texas Bioenergy Research Committee. The annual salary costs for these two positions is estimated to be \$88,667; the annual benefit costs are estimated to be \$25,332; and the related travel, equipment, and operating expenses are estimated to be \$62,058 in fiscal year 2010 and \$50,058 in subsequent years. Other impacted agencies have indicated that creation of the Texas Bioenergy Policy Council and Texas Bioenergy Research Committee would not significantly impact agency resources.

Technology

The cost for computer equipment, software, and data center services would be \$9,200 in fiscal year 2010 and \$4,200 in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 551 Department of Agriculture, 301 Office of the Governor, 455 Railroad Commission, 473 Public Utility Commission of Texas, 580 Water Development Board, 582 Commission on Environmental Quality, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: JOB, SZ, ZS, AH, SD