

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 27, 2011

TO: Honorable Ryan Guillen, Chair, House Committee on Culture, Recreation & Tourism

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

IN RE: HB1027 by Phillips (Relating to the identification of breeder deer by microchips.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1027, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would amend portions of the Parks and Wildlife Code regarding the identification of breeder deer. The bill would expand the definition of durable identification tags to include microchip implants and other radio frequency identification tags. It should be noted that a microchip implant tag would not lend itself to a visual inspection, and instead would require capturing or confining the animal for closer inspection. The bill would provide that if a breeder deer is removed from, or accepted into a facility it must be permanently and legibly tattooed with a unique identification number or an identification tag that is a microchip implanted under the deer's skin. The bill provides that the Texas Parks and Wildlife Commission may adopt rules governing the use of the durable identification tags. The bill would take effect September 1, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Game, Fish, Water Safety Ac</i> 9	Change in Number of State Employees from FY 2011
2012	\$339,704	1.0
2013	\$321,227	2.0
2014	\$643,898	3.0
2015	\$818,455	4.0
2016	\$723,918	4.0

Fiscal Analysis

According to the Texas Parks and Wildlife Department (TPWD), there are approximately 1,227 deer breeders in Texas. TPWD does not have an inspection regimen for deer breeder facilities, but instead a game warden will check to ensure deer are legally possessed when visiting with deer breeders during the regular course of department business. Under current law, a legally possessed deer must have a visible identifying "ear tag," which makes identifying illegally possessed deer fairly straightforward because they would not have a visible tag. The bill would remove the visible tag and instead give the deer breeder the option of identifying the deer with an implanted microchip. As a result, it would be difficult for a game warden to assess whether a breeder's deer are legally possessed without capturing and confining the animals for closer inspection, and then passing a hand scanner over each deer's body to check for the microchip implant.

Methodology

This analysis assumes that of an estimated 1,227 deer breeders in Texas, 20 percent (245) would use the implanted microchip in fiscal year 2012, increasing to 40 percent (491) in fiscal year 2013, 65 percent (798) in fiscal year 2014, and 85 percent (1,043) in fiscal year 2015 and fiscal year 2016. The analysis also assumes that TPWD would perform random inspections in 20 percent of all deer breeder facilities using the implanted microchip, and inspect a random selection of 20 percent of the deer within each facility. Assuming an average of 64 deer per facility, this would equate to 13 deer being inspected at 245 facilities in 2012, or 637 deer inspected, growing to 1,274 deer at 491 facilities in 2013, 2,080 deer in 2014, and 2,717 in 2015 and each year thereafter.

This analysis assumes TPWD, rather than the deer breeder, would incur the costs of capturing the deer to check for the implanted chip. Costs would increase each year as more deer breeders utilize the microchip devices. In fiscal year 2012, TPWD would require one additional FTE (a technician paid \$51,012) plus specialized equipment such as scopes, binoculars, drop nets, temporary corrals, anesthetizing rifles and equipment such as needles and darts. The total cost for this specialized equipment is approximately \$77,000. Additional costs would include a 4WD pickup, rent, computer and phone at approximately \$33,800. TPWD would require an additional FTE and all of the equipment mentioned above for each additional year from fiscal year 2013 through fiscal year 2015. As some inspections may require anesthetization, contract services for a private veterinarian are included in this analysis at a cost of \$1,000 per facility, or \$49,000 in 2012 and increasing to \$209,000 in fiscal years 2015 and 2016.

Finally, it is assumed that TPWD would require at least one microchip hand scanner for each county in Texas to implement the provisions of this legislation. At approximately \$324 per scanner and 254 counties, this would generate an additional \$82,296 in equipment costs in fiscal year 2012.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 802 Parks and Wildlife Department

LBB Staff: JOB, KM, ZS, TB, SZ