

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 29, 2011**

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

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

**IN RE: HB3782** by Guillen (Relating to deer breeder operations; providing penalties.), As Introduced

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3782, As Introduced: a negative impact of (\$66,698) 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.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$33,349)
2013	(\$33,349)
2014	(\$33,349)
2015	(\$33,349)
2016	(\$33,349)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from <i>Game, Fish, Water Safety Ac</i> 9	Probable Revenue Gain from <i>Game, Fish, Water Safety Ac</i> 9	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1
2012	(\$300,370)	\$149,935	(\$44,465)	\$11,116
2013	(\$234,535)	\$117,018	(\$44,465)	\$11,116
2014	(\$235,118)	\$117,309	(\$44,465)	\$11,116
2015	(\$235,118)	\$117,309	(\$44,465)	\$11,116
2016	(\$235,701)	\$117,601	(\$44,465)	\$11,116

Fiscal Year	Change in Number of State Employees from FY 2011
2012	2.4
2013	2.4
2014	2.4
2015	2.4
2016	2.4

The bill would amend the Parks and Wildlife Code relating to deer breeder permits to provide that the venue for an appeal from a Texas Parks and Wildlife Department (TPWD) order is in a district court within the county where the permitted facility is located, or the permit-holder resides. The appeal is a

new trial. The bill would require TPWD to establish a training program for deer breeder permit applicants. The bill would provide that if a deer breeder uses a durable identification tag that is an implanted microchip, TPWD will adopt rules for inspecting implanted deer in order to enforce rules.

The bill would provide that deer in the custody of a deer breeder may only be destroyed or removed due to disease concerns. The destruction must be ordered by the Texas Animal Health Commission (TAHC) after an examination of the deer and a finding by the TAHC of a livestock or wildlife related disease threat, and such findings must be communicated in writing to the Texas Parks and Wildlife Department (TPWD) and the deer breeder. The cost of destroying or removing deer will be paid for by the deer breeder, reimbursing TPWD, and the TAHC for their respective expenses. TPWD must also provide notice to a deer breeder prior to the removal or destruction of any deer. The notice must be sent via certified mail by the TAHC and must: identify the deer to be destroyed or removed, the date of destruction which cannot be sooner than the 10th day after the notice, an explanation of the reasons for the destruction or removal, and an explanation of any restrictions placed on the facility during the destruction or removal process. The bill would require the presence of the TAHC at any destruction of deer carried out pursuant to a TAHC finding. The bill has no effective date.

### **Fiscal Analysis**

The bill would result in costs to TPWD over the 5-year period of \$1,240,842, offset by a revenue gain of \$619,171 for the same period, both in the General Revenue-Dedicated Game, Fish and Water Safety Account No. 9. The bill would result in costs to TAHC over the 5-year period of \$222,325, offset by a revenue gain of \$55,581 over the same period, both in the General Revenue Fund.

### **Methodology**

Costs to TPWD: TPWD reports an estimated 300 deer each fiscal year are confiscated, euthanized and tested due to animal health disease concerns are currently euthanized each fiscal year. The bill would require TPWD to identify the specific deer to be destroyed in any notice to the permit-holder. Specific deer could not be euthanized until at least 10 days after the notice date. This analysis assumes that for TPWD to identify the deer in the notice TPWD must first capture or anesthetize each suspect deer to be tagged. TPWD would then have to return in ten days (or later) to euthanize the tagged deer suspected of carrying disease. This analysis assumes this two-step process would cost the equivalent of 1.9 additional Natural Resource Specialist III FTEs (paid an annual salary of \$51,013 plus benefits). Additionally, the costs of capturing and/or anesthetizing deer are significantly higher than euthanizing. Costs include specialized equipment such as temporary corrals, drop nets, dart rifles, scopes and binoculars totaling approximately \$65,835 in fiscal year 2012. Professional services include a private veterinarian to serve as a "Humane Officer" during the anesthetizing process (costs assume a flat rate of \$1,000 per facility visited each year or \$61,000 for 61 facilities, which represents 5 percent of the 1,227 deer breeding facilities estimated to be operating in the state). Variable costs such as darts, sedation, ear tags, and needles would be incurred for each fiscal year (approximately 15,950). Additional costs include a 4WD pickup truck (approximately \$22,625 per FTE) and computers in fiscal year 2012 and general operating expenses such as rent, phone, travel and training. Total estimated cost to TPWD are \$299,870 in fiscal year 2012, \$234,035 in fiscal year 2013, \$234,618 in fiscal years 2014 and 2015, and \$235,201 in fiscal year 2016. An additional cost to TPWD would be an estimated \$500 in travel costs per year for department legal staff to travel for appeals of permit revocations, suspensions or refusals. Venue for appeals is with the district court in the county in which the deer breeder facility is located or where the permit-holder resides.

TPWD reports that because Parks and Wildlife Code §43.2561 was not amended, and allows TPWD to require that breeder deer identification tags must be reasonably visible, implanted microchips would not be approved as a means to identify such deer. Accordingly, TPWD reports no costs to inspect deer with implanted microchips, an activity which otherwise may generate costs.

Revenue gain to TPWD: Because the bill provides that the costs for deer destruction under a TAHC finding will be paid by the deer breeder, this analysis assumes that at least 50 percent of the costs reported by TPWD would be reimbursed by the deer breeder. This analysis assumes that the deer breeder would not pay for the costs of TPWD's initial visit to identify suspect deer, but would be responsible for the subsequent visit, if any, once the suspect deer have been ordered destroyed.

Costs to TAHC: TAHC reports the bill would cost the equivalent of one part-time FTE (0.5 FTE) veterinarian (paid an annual salary of \$34,776 plus benefits) to assist in processing both the initial examinations that would result in a TAHC finding and any subsequent oversight of suspect deer's destruction based on the finding. The TAHC reports that there would be an average of 15 cases of disease/health threat analysis per year, with each case affecting one or more animals.

Revenue gain to TAHC: This analysis assumes the deer breeder would not pay for the costs of the TAHC initial examination and any findings (an estimated 75 percent of the costs), but would pay for the lesser costs of TAHC official being in attendance when the order for destruction or removal are carried out (an estimated 25 percent of the costs).

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 554 Animal Health Commission, 802 Parks and Wildlife Department

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