

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 2, 2013

TO: Honorable Tracy O. King, Chair, House Committee on Agriculture & Livestock

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1891 by Gonzales, Larry (Relating to the authority of the commissioner of agriculture to approve the testing and sale of certain aviation gasoline.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1891, As Introduced: a negative impact of (\$1,227,795) through the biennium ending August 31, 2015.

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
2014	(\$689,009)
2015	(\$538,786)
2016	(\$538,786)
2017	(\$538,786)
2018	(\$538,786)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2013
	1	
2014	(\$689,009)	1.5
2015	(\$538,786)	1.5
2016	(\$538,786)	1.5
2017	(\$538,786)	1.5
2018	(\$538,786)	1.5

Fiscal Analysis

The bill would amend the Agriculture Code relating to the testing of certain aviation fuel. The bill would require the Texas Department of Agriculture (TDA) to provide for the testing and sale of certain octane aviation gasoline in the event a certain type of aviation gasoline is no longer

allowed to be sold in the state. Currently, TDA provides octane testing for automotive gasoline and does not test aviation gasoline at any of the state's airports.

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, 2013.

Methodology

According to TDA, there are approximately 265 airports throughout the state that are open to the public and offer the sale of aviation gasoline. This estimate assumes that the agency would collect at least one five-gallon aviation gasoline sample from each of these airports each year and ship the samples to a contracted fuel testing laboratory. Additionally, it is assumed the agency would retest a minimum of five percent following fuel samples found to be in non-compliance. This estimate assumes total annual samples of 275. The agency estimates laboratory testing fees for 275 samples at an annual cost of \$429,000. In addition, \$6,971 per year is required to procure the aviation gasoline samples for testing (five-gallon samples at a cost of \$5.07 per gallon).

The agency has indicated that its current provers and equipment for fuel and octane testing would not be able to process aviation fuel. Accordingly, the agency would need five trailer-mounted 100 gallon test measures designated specifically for aviation gasoline testing to be used in the fuel-flushing process to maintain sample integrity. The procurement cost of this specialized equipment is estimated to be \$125,000.

Finally, this estimate assumes an increase of 1.5 full-time equivalent positions (FTEs), with annual salary costs of \$45,455 for an Inspector plus \$22,727 for a part-time program specialist to meet the administrative requirements of aviation gasoline testing. Benefits costs associated with these positions are estimated to be \$20,277 each year. Employee set-up costs are estimated to be \$5,418 in the first year and \$735 each additional year. This estimate includes procurement costs for a truck for the fuel inspector of \$25,160 in the first year with ongoing annual maintenance and fuel costs of \$4,620 and \$9,000, respectively.

Local Government Impact

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

Source Agencies: 551 Department of Agriculture

LBB Staff: UP, SZ, ZS, JP