

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 30, 2013**

**TO:** Honorable Juan Hinojosa, Chair, Senate Committee on Intergovernmental Relations

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB628** by Watson (Relating to the creation of regional emergency communications districts; authorizing the issuance of bonds; authorizing a fee.), **As Introduced**

**The fiscal implications of this bill are indeterminate, as it is unknown how many applicable regions would choose to access the authority delivered by the legislation. However, there is no estimated cost to General Revenue Related Funds.**

The bill would amend Chapter 772 of the Health and Safety Code to authorize a county or a municipality in a region with a population of more than 1.5 million that operates a 9-1-1 system through a regional planning commission to create a regional emergency communications districts. The bill would include definitions and specifies procedures related to: the powers and duties of the district and the board; the budget and annual report; the provision of 9-1-1 services; the imposition of emergency service fees; issuance and repayment of bonds; and the transfer of assets.

The bill would require a district to submit bonds, including refunded bonds, to the attorney general for examination and would require the attorney general to approve bonds that comply with the law. Upon approval of bonds by the attorney general, the comptroller would be required to register the bonds regardless of whether the bonds are refunded. Bonds issued and profits made in the sale or redemption of bonds would be exempted from taxation by the state or any local governmental entity of the state.

Based on data provided by the state demographer, CSEC identified four Regional Planning Commissions (RPCs) that have a population greater than 1.5 million, which is what is required to qualify as a regional emergency communication district as defined by the bill. These include the Alamo Area Council of Governments (AACOG), the Capital Area Council of Governments (CACOG), the Houston-Galveston Area Council (HGACOG), and the North Central Texas Council of Governments (NCTCOG).

It is unknown which of the affected regions would choose to create a district. It is reasonable to assume that if a region created a district that they would opt to no longer collect fees in order to participate in the state-run 9-1-1 system, as allowed by current law. However, they would not be obligated to do so.

The Commission on State Emergency Communications (CSEC) estimates that if all 4 potential regions chose both to create a district and opt out of the state system, that this would result in a loss of fee collected revenue deposited into General Revenue-Dedicated Account No. 5050 (GR-D

5050) of \$26,821,213 in fiscal year 2014, \$26,555,094 in fiscal year 2015, \$26,326,746 in fiscal year 2016, \$26,133,114 in fiscal year 2017, and \$25,971,440 in fiscal year 2018. CSEC determined the growth rate in fees collected for wireline and wireless services deposited in GR-D 5050 by comparing collections from September through February of fiscal year 2012 with the same time period in fiscal year 2013. CSEC then applied that growth rate to the revenues collected for wireline and wireless fees respectively for each fiscal year from 2014 through 2018 to estimate a loss in revenue collected. CSEC estimated the growth rate for wireline services for AACOG, CACOG, HGACOG, and NCTCOG to be (14.0) percent, (5.0) percent, (10.0) percent, and (8.0) percent respectively. CSEC found the growth rate for wireless services for each identified RPC to be 1.0 percent, respectively.

CSEC also estimates the creation of the related regional emergency communication districts would result in a decrease in expenditures out of GR-D 5050 of \$19,418,316 and \$785,765 out of General Revenue-Dedicated Commission on State Emergency Communications Account No. 5007 (GR-D 5007) each fiscal year. CSEC calculated the average estimated expenditures for grants for each fiscal year (totaling \$19.4 million out of GR-D 5050 and \$0.8 million out of GR-D 5007) of the 2012-13 biennium to the identified RPCs and applied that figure to each fiscal year.

The analysis above assumes that the current practice of the state collecting more revenue into Account No. 5050 than it appropriates out of the account would continue.

LBB assumes any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

The bill would take effect on September 1, 2013.

### **Local Government Impact**

According to the Capital Area Council of Governments (CAPCOG), the bill would provide revenue to the CAPCOG region equal to the amount generated from the 9-1-1 fee. The fee would not change and the impact to a local citizen would remain the same. With the establishment of the district, the CAPCOG region reports that it would be able to build a system (NG911) better and faster than with current state appropriations.

**Source Agencies:** 304 Comptroller of Public Accounts, 477 Commission on State Emergency Communications

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