

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 17, 2013

TO: Honorable Craig Estes, Chair, Senate Committee On Agriculture, Rural Affairs & Homeland Security

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1214** by Schwertner (Relating to certain economic development programs administered by the Department of Agriculture.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill amends the Agriculture Code relating to certain economic development programs administered by the Texas Department of Agriculture (TDA). The bill would create the Texas Economic Development Fund in the state treasury for the deposit of federal funds received from the State Small Business Credit Initiative Act of 2010 (SSBCI) as well as investment returns and interest earnings generated by the program. TDA currently disburses the one-time federal SSBCI funds as venture capital awards to eligible businesses through the agency's Jobs for Texas Program.

According to TDA, federal SSBCI receipts total \$46,353,879 and will be received in thirds. The first third in the amount of \$15.5 million was received in fiscal year 2012. The agency has applied for the second disbursement and anticipates receipt of the funds by the end of March 2013. The third disbursement is pending based on the United States Treasury Department regulations on the availability of the funds after August 2013.

These federal funds are currently deposited to the General Revenue Fund, but based on this bill would be deposited to the newly created Texas Economic Development fund. Since these receipts are federal funds, the Comptroller of Public Accounts has indicated that this provision of the bill would result in a non-certification loss to the General Revenue Fund. Accordingly, this provision of the bill if enacted would have no significant fiscal impact.

The bill would also recreate a General Revenue-Dedicated Account – Texas Certified Retirement Communities Program that would be exempt from Sec. 403.095, Government Code. This account would receive fee revenue generated by the Texas Certified Communities program, which the agency has operated since fiscal year 2006. These fees are currently deposited to the General Revenue Fund. According to the Comptroller of Public Account, this provision of the bill would result in a minor revenue loss to the General Revenue Fund (\$13,000) and an identical gain to the newly created General Revenue-Dedicated Account. Accordingly, this provision of the bill would have no significant fiscal impact.

The bill also amends the Agriculture Code provisions relating to the Agricultural Finance Authority and the signed statements that accompany applications for agricultural loan guarantees. This provision of the bill is also not anticipated to have significant fiscal implications.

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take effect immediately if it receives a two-thirds vote in each house. Otherwise, the bill would take effect September 1, 2013.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 551 Department of Agriculture

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