

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 13, 2015

TO: Honorable Doug Miller, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB737** by Aycock (Relating to the creation of regional emergency communications districts; authorizing the issuance of bonds; authorizing a fee.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for the Committee Substitute for HB 737: an impact of \$0 through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|---|
| 2016 | \$0 |
| 2017 | \$0 |
| 2018 | \$0 |
| 2019 | \$0 |
| 2020 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue (Loss) from <i>911 Service Fees</i> 5050 | Probable Savings from <i>911 Service Fees</i> 5050 |
|-------------|---|--|
| 2016 | (\$3,084,799) | \$3,557,051 |
| 2017 | (\$3,091,445) | \$3,533,950 |
| 2018 | (\$3,098,249) | \$3,545,500 |
| 2019 | (\$3,105,212) | \$3,545,500 |
| 2020 | (\$3,112,333) | \$3,545,500 |

Fiscal Analysis

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 at least 425,000 and composed of counties each with a population of 4,500 or more, but less than 311,000, and that operates a 9-1-1 system solely through a regional planning commission (RPC) to create a regional emergency communication district.

The Commission on State Emergency Communications (CSEC) estimates that this would result in an estimated loss of fee collected revenue deposited into General Revenue - Dedicated Account No. 5050 (GR-D 5050) of \$3,084,799 in fiscal year 2016, \$3,091,445 in fiscal year 2017, \$3,098,249 in fiscal year 2018, \$3,105,212 in fiscal year 2019, and \$3,112,333 in fiscal year 2020.

CSEC also estimates the creation of a related regional emergency communication district would result in a decrease in expenditures out of GR-D 5050 by \$3,557,051 in fiscal year 2016, \$3,533,950 in fiscal year 2017, and \$3,545,500 each fiscal year from 2018-2020 due to the RPC no longer participating in the state-run 9-1-1 system.

Legislative Budget Board (LBB), CSEC and the Comptroller of Public Accounts assume any additional work resulting from the passage of the bill could be reasonably absorbed with in current resources.

This bill would take effect September 1, 2015.

Methodology

Based on CSEC analysis, it is assumed that the creation of a regional emergency communication district in a qualified region would also result in the region opting to no longer collect fees in order to participate in the state-run 9-1-1 system.

Based on data provided by the state demographer, CSEC identified the Central Texas Council of Government as an RPC that meets the bill provisions. CSEC determined the growth rate in fees collected from wireline and wireless services deposited in GR-D 5050 to be constant by the regional planning commission. CSEC then applied that growth rate to estimate the loss in revenue collected.

CSEC calculated the average estimated expenditures from GR-D 5050 for grants to the Central Texas Council of Government for each fiscal year of the 2014-15 biennium and applied that figure to each fiscal year.

Local Government Impact

The Central Texas Council of Governments (CTCOG) reported that the bill would increase the proportion of 9-1-1 service fees collected to 100 percent; CTCOG estimates an increase in revenue of approximately \$1,000,000 each fiscal year.

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

LBB Staff: UP, KVe, EP, KPe