

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**March 25, 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.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB 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	Probable Savings/(Cost) from <i>Comm State Emer Comm</i> <i>Acct</i> 5007
2016	(\$12,388,113)	\$14,642,111	\$124,800
2017	(\$12,270,659)	\$14,547,020	\$124,800
2018	(\$12,159,988)	\$14,594,565	\$124,800
2019	(\$12,055,643)	\$14,594,565	\$124,800
2020	(\$11,957,196)	\$14,594,565	\$124,800

**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 less than 500,000 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 \$12,388,113 in fiscal year 2016, \$12,270,659 in fiscal year 2017, \$12,159,988 in fiscal year 2018, \$12,055,643 in fiscal year 2019, and \$11,957,196 in fiscal year 2020.

CSEC also estimates the creation of related regional emergency communications districts would result in a decrease in expenditures out of General Revenue - Dedicated Account No. 5007 by \$124,800 each fiscal year and GR-D 5050 by \$14,642,111 in fiscal year 2016, \$14,547,020 in fiscal year 2017, and \$14,594,565 each fiscal year from 2018-2020 due to the RPCs no longer participating in the state-run 9-1-1 system.

Legislative Budget Board (LBB), CSEC, the Comptroller of Public Accounts and the Office of the Attorney General 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 LBB analysis, it is assumed that the creation of regional emergency communications districts in qualified regions would also result in those regions 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 Ark-Tex Council of Governments, Central Texas Council of Government, Deep East Texas Council of Governments, South East Texas Regional Planning Commission and the South Texas Development Council as the RPCs that meet 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 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 and GR-D 5007 for grants to the above RPCs 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.

The South East Texas Regional Planning Commission (SETRPC) reported there would be minimal costs to form an emergency communication district and anticipates an increase in revenue.

**Source Agencies:** 302 Office of the Attorney General, 304 Comptroller of Public Accounts,

477 Commission on State Emergency Communications

**LBB Staff:** UP, KVe, EP, KPe, TBo