

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION
Revision 1

March 24, 2015

TO: Honorable Jim Keffer, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1290 by Keffer (Relating to the sunset review of river authorities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1290, As Introduced: an impact of \$0 through the biennium ending August 31, 2017.

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
2016	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>Appropriated Receipts</i> 666	Probable Revenue Gain from <i>Appropriated Receipts</i> 666	Change in Number of State Employees from FY 2015
2016	(\$502,940)	\$502,940	4.0
2017	(\$53,160)	\$53,160	4.0
2018	(\$744,628)	\$744,628	6.0
2019	(\$80,848)	\$80,848	6.0
2020	(\$426,200)	\$426,200	3.0

Fiscal Analysis

The bill makes 18 Texas river authorities subject to review by the Sunset Advisory Commission (Commission), but not abolishment, from fiscal years 2017 to 2023, and every 12 years thereafter. The bill establishes a schedule for reviewing all of the authorities over the next four biennia. The bill requires each river authority to pay the cost of the review as determined by the Commission, and requires the agency to review each authority's governance, management, operating structure, and compliance with legislative requirements.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house. If the bill does not receive the votes required to pass, the bill would take effect September 1, 2015.

Methodology

The requirement for the Commission to conduct a limited review of river authorities on the schedule established by the bill would result in costs to the Commission of \$556,100 during the FY 2016-2017 biennium, and \$1,807,775 over the next five fiscal years. All of these costs would be reimbursed by the river authorities. Each river authority would continue to pay similar costs every 12 years for subsequent Sunset reviews as long as the bill is in effect.

According to the Commission, the review would cost approximately \$11,075 per analyst assigned to a team, per month. Estimated costs for each review assumes 90 percent of the time required to conduct the review would be needed in even-numbered fiscal years, as this is when the Commission's workload is more intensive, and that all travel would occur during even-numbered years. The analysis assumes river authority reviews are in addition to the Commission's body of work assigned for each of the next four biennia, and would result in the need for additional staff to conduct these reviews, including four additional full-time staff in the 2016-17 biennium.

Local Government Impact

There would be a cost to river authorities for reimbursing the Commission for their services. For river authorities scheduled for evaluation in the 2016-17 biennium, estimated costs would be \$93,600 for the Angelina and Neches River Authority, \$95,100 for Bandera County River Authority, \$273,800 for the Brazos River Authority and \$93,600 for the Central Colorado River Authority. River authorities may also experience additional internal costs to comply with provisions of the bill.

Source Agencies: 116 Sunset Advisory Commission, LCR Lower Colorado River Authority

LBB Staff: UP, SZ, JJ, PM