

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

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

**April 26, 2015**

**TO:** Honorable Larry Phillips, Chair, House Committee on Homeland Security & Public Safety

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

**IN RE:** **HB3462** by Deshotel (Relating to the creation of regional emergency communication districts; authorizing a fee.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for the Committee Substitute for HB 3462: 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> <b>5050</b>	Probable Savings from <i>911 Service Fees</i> <b>5050</b>	Probable Savings from <i>Comm State Emer</i> <i>Comm Acct</i> <b>5007</b>	Change in Number of State Employees from <b>FY 2015</b>
2016	(\$49,423,215)	\$54,972,766	\$6,563,447	(6.5)
2017	(\$50,972,347)	\$54,619,622	\$6,563,447	(6.5)
2018	(\$52,722,013)	\$54,796,194	\$6,563,447	(6.5)
2019	(\$54,668,961)	\$54,796,194	\$6,563,447	(6.5)
2020	(\$56,813,056)	\$54,796,194	\$6,563,447	(6.5)

**Fiscal Analysis**

The bill would amend Chapter 772 of the Health and Safety Code to authorize a portion of a state planning region with a population of less than 1,500,000 and that received 9-1-1 services through a regional planning commission (RPC) on September 1, 2015, 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 \$49,423,215 in fiscal year 2016, \$50,972,347 in fiscal year 2017, \$52,722,013 in fiscal year 2018, \$54,668,961 in fiscal year 2019 and \$56,813,056 in fiscal year 2020.

CSEC also estimates the creation of related regional emergency communication districts would result in a decrease in expenditures for grants out of General Revenue - Dedicated Account No. 5007 (GR-D 5007) by \$6,563,447 each fiscal year and GR-D 5050 by \$54,376,894 in fiscal year 2016, \$54,023,750 in fiscal year 2017, \$54,200,322 each fiscal year from 2018-2020 due to the RPCs no longer participating in the state-run 9-1-1 system. Additionally, CSEC estimates an additional savings of \$595,872 in salaries and wages each fiscal year out of GR-D 5050 with a associated decrease of 6.5 FTEs each fiscal year.

To the extent that certain RPCs would not establish an emergency communication district under the provisions of the bill, the revenue loss and cost savings identified to GR-D 5050 would differ from the estimates provided in this analysis.

The 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 within current resources.

This bill would take effect September 1, 2015.

## **Methodology**

Based on CSEC analysis, it is assumed that regions that meet the provisions of the bill would establish a regional emergency communication district, which would result in those regions opting to no longer collect fees in order to participate in the state-run 9-1-1 system.

The LBB assumes CSEC would reduce their FTE total as a result of all RPCs leaving the state-run 9-1-1 system.

Based on data from the Texas State Data Center/Office of the State Demographer, CSEC identified the Alamo Area Council of Governments, Ark-Tex Council of Governments, Brazos Valley Development Council, Central Texas Council of Governments, Coastal Bend Council of Governments, Concho Valley Council of Governments, Deep East Texas Council of Governments, East Texas Council of Governments, Golden Crescent Regional Planning Commission, Heart of Texas Council of Governments, Houston-Galveston Area Council of Governments, Lower Rio Grande Valley Development Council, Middle Rio Grande Development Council, Nortex Regional Planning Commission, North Central Council of Governments, Panhandle Regional Planning Commission, Permian Basin Regional Planning Commission, Rio Grande Council of Governments, Southeast Texas Regional Planning Commission, South Plains Association of Governments, South Texas Development Council, Texoma Council of Governments, and the West Central Texas Council of Governments as the RPCs that meet the provisions of the bill. CSEC determined the growth rate in fees collected from wireline and wireless services deposited into GR-D 5050 to be constant by RPCs. 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 and associated salaries for each fiscal year of the 2016-17 biennium and applied that figure to each fiscal year.

## **Local Government Impact**

The bill would increase revenue from 9-1-1 emergency service fees to regions that create an emergency communication district. In addition, there would be costs to form an emergency communication district; however the fiscal impact is not anticipated to be significant.

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

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