

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 6, 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.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds 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 911 Service Fees 5050	Probable Savings from 911 Service Fees 5050	Probable Savings from Comm State Emer Comm Acct 5007
2016	(\$15,637,909)	\$17,125,492	\$1,470,580
2017	(\$16,141,216)	\$17,014,273	\$1,470,580
2018	(\$16,698,311)	\$17,069,882	\$1,470,580
2019	(\$17,310,215)	\$17,069,882	\$1,470,580
2020	(\$17,978,250)	\$17,069,882	\$1,470,580

Fiscal Analysis

The bill would amend Chapter 772 of the Health and Safety Code to authorize a region with a population of less than 1,500,000 and that received 9-1-1 system 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 \$15,637,909 in fiscal year 2016, \$16,141,216 fiscal year 2017, \$16,698,311 in fiscal year 2018, \$17,310,215 in fiscal year 2019, and \$17,978,250 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 \$1,470,580 each fiscal year and GR-D 5050 by \$17,215,492 in fiscal year 2016, \$17,014,273 in fiscal year 2017, and \$17,069,882 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 and the Comptroller of Public Accounts assumes 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 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 2010 Census, as 2015 population data is not available, CSEC identified the Ark-Tex Council of Governments, Central Texas Council of Government, Concho Valley Council of Governments, 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 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

LBB Staff: UP, ESi, EP, KPe, KVe