

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION
Revision 1

May 2, 2017

TO: Honorable John Frullo, Chair, House Committee on Culture, Recreation & Tourism

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1724** by Guillen (Relating to the establishment of the commercial license buyback account managed by the Parks and Wildlife Department.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1724, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2019.

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
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from Shrimp License Buy Back 5023	Probable Revenue Gain/(Loss) from Shrimp License Buy Back 5023	Probable Revenue Gain/(Loss) from Game, Fish, Water Safety Act 9
2018	(\$1,087,000)	(\$80,000)	\$1,167,000
2019	\$0	(\$80,000)	\$80,000
2020	\$0	(\$80,000)	\$80,000
2021	\$0	(\$80,000)	\$80,000
2022	\$0	(\$80,000)	\$80,000

Fiscal Analysis

The bill would amend the Parks and Wildlife Code to create a new Commercial License Buyback subaccount within the General Revenue-Dedicated Game, Fish, and Water Safety Account No. 9 (Fund 9). Money in the subaccount could only be used to buy back commercial licenses from willing license holders. Revenue to the account would consist of grants and donations allowed by the bill and specified amounts from eight commercial licenses. Fees from the transfer of a commercial bay or bait shrimp boat license would also be deposited to the Commercial License Buyback subaccount, as well as a minimum of 20 percent of license transfer fees for commercial crab and finfish licenses. The bill would exempt the new account from certain requirements of the Government Code related to the use of dedicated revenue.

The bill would abolish the General Revenue-Dedicated Shrimp License Buyback Account No. 5023. The bill would also repeal sections of the Parks and Wildlife Code related to the acceptance of grants and donations to the Fund 9 for the purpose of buying back commercial crab and finfish licenses. The bill would transfer the unencumbered balance of the Shrimp License Buyback Account to the Commercial License Buyback subaccount in Fund 9.

The bill would take effect September 1, 2017.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

Based upon information provided by the Parks and Wildlife Department (TPWD) and Comptroller of Public Accounts, revenue deposited to the Shrimp License Buyback Account under current law totals \$80,000 each year. The bill directs the balance of the Shrimp License Buyback Account, which is estimated to be \$1,087,000 at the end of fiscal year 2017 in the Comptroller's 2018-19 Biennial Revenue Estimate, to be transferred to the Commercial License Buyback subaccount within Fund 9.

Based upon information provided by TPWD, 20 commercial licenses would be retired each year at an average cost of \$8,269 each under the provisions of the bill if the appropriation authority were granted in the General Appropriations Act.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 802 Parks and Wildlife Department

LBB Staff: UP, MWI, SZ, SD