

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**May 1, 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.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1724, As Introduced: a positive impact of \$1,087,000 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	\$1,087,000
2019	\$0
2020	\$0
2021	\$0
2022	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable (Cost) from Shrimp License Buy Back 5023	Probable Revenue Gain/(Loss) from Shrimp License Buy Back 5023	Probable Revenue Gain/(Loss) from New General Revenue Dedicated Commercial License Buyback Account
2018	\$1,087,000	(\$1,087,000)	(\$80,000)	\$164,000
2019	\$0	\$0	(\$80,000)	\$164,000
2020	\$0	\$0	(\$80,000)	\$164,000
2021	\$0	\$0	(\$80,000)	\$164,000
2022	\$0	\$0	(\$80,000)	\$164,000

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Game, Fish, Water Safety</i> Ac 9
2018	\$42,000
2019	\$42,000
2020	\$42,000
2021	\$42,000
2022	\$42,000

## Fiscal Analysis

The bill would amend the Parks and Wildlife Code to create a new General Revenue-Dedicated Commercial License Buyback Account. Money in the account 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 a fee increase on eight commercial licenses in the amount of the lesser of a 15 percent fee increase or \$25 per license. Fees from the transfer of a commercial bay or bait shrimp boat license would also be deposited to the Commercial License Buyback Account, 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 General Revenue-Dedicated Game, Fish, and Water Safety Account No. 9 (Fund 9) for the purpose of buying back commercial crab and finfish licenses.

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 derived from the fee increases required by the bill would total \$126,000 each fiscal year to the Commercial License Buyback Account. A total of \$38,000 of revenue deposited to Fund 9 under current law related to commercial crab and finfish license buyback programs would also be deposited to the new Commercial License Buyback Account under the provisions of the bill.

While the bill would direct that the revenue from the required fee increases on commercial shrimp licenses be deposited to the new Commercial License Buyback Account, the bill does not direct revenue collected under current law that is deposited to the Shrimp License Buyback Account, which the bill would abolish. This analysis assumes this revenue would be deposited to Fund 9, resulting in a net increase in revenue to Fund 9 of \$42,000 each year. This analysis assumes 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, will revert to General Revenue.

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

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