

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 20, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2855** by Paddie (relating to the identification of breeder deer by use of microchip implants.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2855, 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 Savings/(Cost) from GR-Dedicated Game, Fish, Water Safety Account No. 9	Change in Number of State Employees from FY 2017
2018	(\$662,519)	2.0
2019	(\$287,703)	2.0
2020	(\$325,850)	2.0
2021	(\$357,156)	2.0
2022	(\$357,812)	2.0

Fiscal Analysis

The bill would amend portions of the Parks and Wildlife Code to authorize permitted deer breeding facilities to identify breeder deer with an implanted microchip instead of a visible ear tag or ear tattoos. The bill would require deer breeders who utilized implanted microchips to provide microchip readers to the staffs of the Parks and Wildlife Department (TPWD) and Animal Health Commission for inspections to ensure compliance with applicable regulations.

The bill would take effect September 1, 2017.

Methodology

Based upon information provided by TPWD, approximately half of all deer breeder facilities are inspected annually under current law. Inspections include taking inventory of breeder deer stock via ear tags. These inspections rarely require the inspectors to immobilize the animals through chemical or physical means. According to TPWD, inspections of facilities that use implanted microchips would require immobilization of the animals, which would necessitate additional manpower and equipment relative to inspections of facilities that use visible ear tags. This analysis assumes that of the estimated 1,278 permitted deer breeder facilities, 20 percent would use implanted microchips in 2018, with microchip usage increasing to 40 percent in 2019, 65 percent in 2020, and 85 percent in 2021 and 2022.

In order to inspect 20 percent of the facilities using implanted microchips, this analysis assumes TPWD would add 2.0 FTEs for additional inspectors each fiscal year, resulting in additional expenditures for salaries and wages and other payroll-related benefits. The additional FTEs would also require expenditures in 2018 of \$182,644 for vehicles and other equipment. Based upon information provided by TPWD, agency staff would need microchip readers in addition to those provided by deer breeders in order to ensure reliable readings and to verify the accuracy of the identification numbers for law enforcement and compliance purposes, resulting in expenditures of \$221,975 in 2018 to equip biologists and game wardens with a total of 250 RFID wands to read the implanted microchips. As more deer breeder facilities utilized the use of microchips, the increased number of inspections would also result in additional costs for travel and other operating expenses.

Local Government Impact

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

Source Agencies: 802 Parks and Wildlife Department

LBB Staff: UP, SZ, MWI