

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 19, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3723** by Phillips (relating to allowing a deer breeder to transfer and sell for processing as venison certain breeder deer.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3723, Committee Report 1st House, Substituted: a positive impact of \$236,419 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	\$762
2019	\$235,657
2020	\$233,213
2021	\$235,657
2022	\$233,213

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2017
2018	(\$791,013)	\$791,775	9.1
2019	(\$820,043)	\$1,055,700	9.1
2020	(\$822,487)	\$1,055,700	9.1
2021	(\$820,043)	\$1,055,700	9.1
2022	(\$822,487)	\$1,055,700	9.1

Fiscal Analysis

The bill would amend the Parks and Wildlife Code and the Health and Safety Code relating to allowing a deer breeder to transfer and sell for processing as venison certain breeder deer. The bill would allow for holders of a valid deer breeder's permit to transfer and sell live breeder deer not needed for propagation for the purpose of processing and sale as venison. The bill would require the Texas Parks and Wildlife Department to make regulations governing procedures for the identification, transfer, and sale of live breeder deer not needed for propagation for the purpose of processing and sale as venison. The bill would make breeder deer amenable to the Texas Meat and Poultry Inspection Act (TMPIA) and therefore subject to inspection in the same manner that exotic animals in Texas are. The bill would take effect September 1, 2017.

Methodology

Breeder deer are not regulated by the Federal Meat Inspection Act (FMIA), therefore it is assumed that inspection services for breeder deer will be fully funded with state General Revenue. It is assumed that the Department of State Health Services (DSHS) would carry out provisions of the bill related to inspection and compliance.

Analysis assumes each of the estimated 1,800 deer breeder operations in Texas would require 8.5 hours of inspection each year (1,800 operations x 8.5 hours = 15,300 total inspection hours each year). Based on a resource factor of 1,900 work hours each year for 1.0 FTE, 8.0 new Inspector IV positions in the Meat Safety Assurance Unit would be needed to address estimated workload (15,300 total work hours / 1,900 work hours per FTE = 8.0). Inspectors would be responsible for performing humane slaughter inspections, antemortem and postmortem slaughter inspections, and inspection of the processing of the meat products produced from breeder deer.

Analysis assumes 1.0 new Inspector VII (Compliance Officer) would be needed in the Policy, Standards, and Quality Assurance Unit (PSQA) Meat Group to ensure breeder deer meat products found in commerce are in compliance with state law.

Analysis assumes 0.1 Web Administrator I at HHSC would be needed to provide web support services for the 9.0 new FTEs at DSHS.

Analysis assumes the 9.0 new FTEs at DSHS will start three months into fiscal year 2018 and perform a total of 11,475 work hours during that fiscal year.

It is assumed that DSHS will update Texas Administrative Code Chapter 221.12 to increase fees for overtime and special services rendered to establishments in connection with inspections required for meat or meat products and for services required under Health and Safety Code Chapter 433 in relation to inspection of animals, birds, or products not regulated under the Federal Meat Inspection Act or the Federal Poultry Products Inspection Act in order to cover any costs associated with implementing the bill. Fees would have to be increased from the current rate of \$29.50 per hour to at least \$69.00 per hour in order to cover program costs, including indirect costs.

Local Government Impact

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

Source Agencies: 537 State Health Services, Department of, 802 Parks and Wildlife

Department

LBB Staff: UP, SZ, EP, RD, MWI