

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 5, 2017

TO: Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1720 by Estes (Relating to the identification of breeder deer by use of microchip implants.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1720, As Introduced: 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	(\$458,291)	1.0
2019	(\$385,475)	2.0
2020	(\$558,258)	3.0
2021	(\$729,347)	4.0
2022	(\$632,231)	4.0

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 allow the Parks and Wildlife Department (TPWD) to inspect deer breeding facilities that utilize microchips instead of ear tags 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 1.0 FTE for additional inspectors each fiscal year through 2021, resulting in a total of 4.0 additional FTEs, and additional equipment, travel, and operating costs for each FTE. The FTE increases would result in \$55,842 in salaries and wages expenditures and \$20,450 in additional payroll-related benefits costs for one FTE in fiscal year 2018 and would increase to \$224,328 by 2022 for salaries and wages and \$82,149 by 2022 for payroll-related benefits. Each additional FTE would also result in an additional \$97,022 for equipment expenditures in the fiscal year in which the FTE was added (\$97,022 each fiscal year from 2018-2021), and \$221,975 in 2018 to equip biologists and game wardens with a total of 250 RFID wands to read the implanted microchips. No additional expenses for equipment are anticipated for 2022. Each additional FTE would also result in additional costs for travel, rent for office space, and other operating expenses.

Local Government Impact

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

Source Agencies: 554 Animal Health Commission, 802 Parks and Wildlife Department

LBB Staff: UP, SZ, MWI