

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 24, 2019

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

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
 Legislative Budget Board

IN RE: HB191 by Stephenson (Relating to the disposal of pesticides.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB191, As Engrossed: a negative impact of (\$940,122) through the biennium ending August 31, 2021.

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
2020	(\$475,564)
2021	(\$464,558)
2022	(\$464,558)
2023	(\$464,558)
2024	(\$464,558)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from New Other - Pesticide Disposal Fund	Probable Savings/(Cost) from New Other - Pesticide Disposal Fund	Change in Number of State Employees from FY 2019
2020	(\$475,564)	\$400,000	(\$400,000)	1.0
2021	(\$464,558)	\$400,000	(\$400,000)	1.0
2022	(\$464,558)	\$400,000	(\$400,000)	1.0
2023	(\$464,558)	\$400,000	(\$400,000)	1.0
2024	(\$464,558)	\$400,000	(\$400,000)	1.0

Fiscal Analysis

The bill would amend the Agriculture Code to create the new Pesticide Disposal Fund in the state treasury outside of the General Revenue Fund. It would consist of revenue from annual transfers of pesticide registration fees of up to \$400,000 in amounts determined by the Department of Agriculture (TDA) to be necessary to administer pesticide waste and container collection activities. Interest earned from money in the fund would be deposited to the credit of the fund. TDA would be prohibited from raising fees to fund pesticide waste and container collection activities. The fund would be administered by TDA for the sole purpose of working with Texas A&M AgriLife Extension Service (TAES) and the Texas Commission on Environmental Quality (TCEQ) to organize pesticide waste and pesticide container collection activities statewide. TDA, TAES, and TCEQ would be authorized to arrange for contractors to collect cancelled, unregistered, or unwanted pesticide products and containers. The bill would prohibit TDA from increasing fees to administer pesticide waste and container collection activities.

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 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.

The bill would take effect September 1, 2019.

Methodology

Currently, fees collected pursuant to Agriculture Code, Section 76.044 are part of fees required to be set by TDA to cover appropriations and other direct and indirect costs for the Agricultural Pesticide Regulation program, and are deposited to General Revenue. Based on information provided by the Comptroller, revenue from pesticide regulation fees in fiscal year 2018 totaled \$5,647,896. In addition to this fee, two other fees are assessed that fund the program which include a pesticide dealer licensing fee and a pesticide applicator certification fee. Based on information provided by the Comptroller, revenue from these two fees totaled \$2,743,615 in fiscal year 2019. In sum, the total amount of revenue collected in fiscal year 2018 for the Agricultural Pesticide Regulation program totaled \$8,391,511. For the purposes of this analysis, it is also assumed that revenue collections from all three of these fees for the Agricultural Pesticide Regulation program would continue at similar levels in each subsequent fiscal year. Revenue collected from these fees each fiscal year in excess of amounts necessary to pay for appropriations and other direct and indirect costs remain in the General Revenue Fund and are available to be appropriated for other purposes. For the purposes of this analysis, it is assumed that a similar excess amount would continue to remain in the General Revenue Fund each fiscal year.

Information provided by TDA in its Legislative Appropriation Request to the Eighty-sixth Legislature reported General Revenue spending of \$4,587,817 in fiscal year 2018 and \$4,581,533 in fiscal year 2019 for the Agricultural Pesticide Program included in Strategy B.2.1, Regulate Pesticide Use, under current law. Based on information provided by the Comptroller, this analysis assumes other direct and indirect cost for the Agricultural Pesticide Regulation program totals \$1,468,702 in fiscal year 2018 and that similar amounts would continue in subsequent fiscal year.

Based on the excess revenue anticipated to be available from the pesticide regulation fees each fiscal year, this analysis assumes that the statutory maximum would be transferred to the newly created Pesticide Disposal Fund each fiscal year for the pesticide disposal program and that the entire amount transferred would be expended each fiscal year. This analysis also assumes that

TDA would not increase fees to administer pesticide waste and container collection activities in alignment with the requirements of the bill.

In order to administer pesticide waste and container collection activities required by the bill, this analysis assumes TDA would need 1.0 Program Specialist I (salary \$47,688 per year). Costs associated with that 1.0 FTE total \$75,564 in fiscal year 2020, and \$64,558 each subsequent year from fee generated General Revenue. The analysis assumes TAES and TCEQ could perform necessary duties using existing resources.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 551 Department of Agriculture, 555 Texas A&M AgriLife Extension Service, 582 Commission on Environmental Quality

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