

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 7, 2019

TO: Honorable Bob Hall, Chair, Senate Committee on Agriculture

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

IN RE: HB2166 by Kacal (Relating to the administration of seed and plant certification in this state by the State Seed and Plant Certification Council and the Texas Crop Improvement Association.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2166, As Engrossed: an impact of \$0 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	\$0
2021	\$0
2022	\$0
2023	\$0
2024	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Savings from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2019
2020	(\$533,333)	\$533,333	4.3
2021	(\$800,000)	\$800,000	6.5
2022	(\$800,000)	\$800,000	6.5
2023	(\$800,000)	\$800,000	6.5
2024	(\$800,000)	\$800,000	6.5

Fiscal Analysis

The bill would amend the Agriculture Code to remove the Texas Department of Agriculture (TDA) as the seed certifying authority in Texas, and would transfer that authority to the Texas Crop Improvement Association (TCIA), a private entity. TCIA would be required to set fees sufficient to cover costs of operation. The bill would abolish the State Seed and Plant Board (the Board) and replace it with the State Seed and Plant Certification Council (the Council). Members of the Board are currently appointed by Texas A&M, Texas Tech, and the Commissioner of Agriculture. TCIA would replace the Commissioner of Agriculture in appointing members to the Council.

The bill would take effect January 1, 2020.

Methodology

The seed certification program exists at TDA as a cost recovery program. Over fiscal years 2017 and 2018, the program generated an average revenue of \$800,000 per year and 6.5 FTEs are associated with the program. The total cost of those FTEs, including salaries, benefits, travel, and indirect administration, is necessarily equal to the yearly revenue of the program. Because the bill is not effective until January 1, 2020, fiscal year 2020 would have a revenue loss of only \$533,333 offset by cost savings of \$533,333 from reducing the number of FTEs by 4.3. Beginning in fiscal year 2021, the revenue loss would be \$800,000 per year offset by savings of \$800,000 resulting from reducing TDA's FTEs by 6.5.

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, 710 Texas A&M University System Administrative and General Offices

LBB Staff: WP, SZ, MW, PBO