

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 9, 2019

TO: Honorable Rafael Anchia, Chair, House Committee on International Relations & Economic Development

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

IN RE: **HB2366** by Darby (Relating to the regulation of motor fuel quality and motor fuel metering devices.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2366, Committee Report 1st House, Substituted: a negative impact of (\$874,000) 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	(\$437,000)
2021	(\$437,000)
2022	(\$437,000)
2023	(\$437,000)
2024	(\$437,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund - Revenue</i> <i>Dedicated to Motor Fuel Metering Device</i> <i>Inspections</i> 1
2020	(\$1,609,000)	\$1,172,000
2021	(\$1,609,000)	\$1,172,000
2022	(\$1,609,000)	\$1,172,000
2023	(\$1,609,000)	\$1,172,000
2024	(\$1,609,000)	\$1,172,000

Fiscal Analysis

The bill would amend the Agriculture Code relating to motor fuel quality and motor fuel metering devices. It would require that fees collected for registration and inspection of motor fuel metering devices be used solely for the administration and enforcement of motor fuel metering device inspections, effectively dedicating these funds. The bill would limit the maximum civil penalty for continued violations of laws regarding standard weights and measures and registration of weighing or measuring devices to \$2,500 from the current maximum of \$5,000. It would limit the penalty for violating provisions related to the sale and regulation of certain fuel mixtures to not more than \$2,500. It would prohibit an increase in the testing fee for a motor fuel metering device in a state fiscal biennium by no more than 10 percent of the amount of the fee in the previous state fiscal biennium.

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 immediately if it receives a two-third majority vote in both houses of the Legislature, or September 1, 2019.

Methodology

Based on the analysis of the Comptroller of Public Accounts (CPA), dedicating revenues from registration and inspection of motor fuel metering devices, which is currently deposited to General Revenue, would result in a loss to non-dedicated General Revenue of \$1,609,000 each fiscal year, offset by a gain of \$1,172,000 in new dedicated revenues from motor fuel metering device inspections deposited to the General Revenue Fund. Anticipated revenues totaling \$874,000 each fiscal year in General Revenue from agricultural administrative penalties would remain there under the bill. The CPA assumes that by reducing half the maximum amount of this fee, the revenues associated with that fee would also be reduced by half, totaling \$437,000.

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

LBB Staff: WP, CLo, MW, PBO