

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 14, 2021

TO: Honorable DeWayne Burns, Chair, House Committee on Agriculture & Livestock

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3959 by Buckley (Relating to the establishment of the Texas Youth Livestock Show Fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3959, As Introduced : a negative impact of (\$5,190,000) through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$2,550,000)
2023	(\$2,640,000)
2024	(\$2,730,000)
2025	(\$2,820,000)
2026	(\$2,920,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from New General Revenue Dedicated, Texas Youth Livestock Show Fund</i>	<i>Probable Savings/(Cost) from New General Revenue Dedicated, Texas Youth Livestock Show Fund</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$2,550,000)	\$2,550,000	(\$2,550,000)	1.0
2023	(\$2,640,000)	\$2,640,000	(\$2,640,000)	1.0
2024	(\$2,730,000)	\$2,730,000	(\$2,730,000)	1.0
2025	(\$2,820,000)	\$2,820,000	(\$2,820,000)	1.0
2026	(\$2,920,000)	\$2,920,000	(\$2,920,000)	1.0

Fiscal Analysis

The bill would amend the Agriculture Code to establish the Texas Youth Livestock Show Fund which would be funded through the initial \$15.0 million in revenue collected from taxes on livestock animal feed, supplements, and grooming supplies each fiscal year and deposited to the credit of a new General Revenue-Dedicated Account titled "Texas Youth Livestock Show Fund" established by the bill. The Texas Department of Agriculture (TDA) would be required to administer the grant program.

The bill would require the Comptroller of Public Accounts to provide an estimate each fiscal year according to

available statistical data indicating the estimated or actual receipts, and direct revenues to the specified fund.

The bill would take effect September 1, 2021.

Methodology

According to the Comptroller of Public Accounts, sales tax revenues estimated to be collected from the sources identified in the bill are \$2,550,000 for fiscal year 2022, \$2,640,000 for fiscal year 2023, \$2,730,000 for fiscal year 2024, \$2,820,000 for fiscal year 2025, and \$2,920,000 in fiscal year 2026. This analysis is based on the estimated cost of supplements and grooming supplies for livestock animals, as well as data on the number of participants in youth livestock programs. Under current law, feed for livestock animals is exempt from sales tax.

Based on the analysis of TDA, this analysis assumes the agency would require an additional Grant Coordinator I (\$51,985 plus \$16,906 in benefits) for the administration, processing, and monitoring of an estimated 150 to 200 new grants with an additional \$7,703 in fiscal year 2022 and \$1,893 each subsequent year for operating expenses.

This analysis also assumes that the remaining amounts totaling \$2,473,407 in fiscal year 2022, \$2,569,217 in fiscal year 2023, \$2,659,217 in fiscal year 2024, \$2,749,217 in fiscal year 2025, and \$2,849,217 in fiscal year 2026 would be provided as grants for the new program.

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 within 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.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 551 Department of Agriculture

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