

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 4, 2023

TO: Honorable Ryan Guillen, Chair, House Committee on Community Safety, Select

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3539 by Troxclair (Relating to the establishment and operation of an ammunition facility by the Department of Public Safety.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined at this time due to a lack of reliable information to provide a reasonably sound basis for estimating the impact of the bill because the scale and likely output of the facility and potential profits or losses associated with the operation of the facility are unknown.

The bill would require the Department of Public Safety (DPS) to contract with a third party to establish and operate a facility that acquires, stores, and resells quality ammunition to law enforcement agencies only.

The bill would require the facility operator to acquire and store quality ammunition for resale at a reasonable price to law enforcement agencies at a sufficient quantity to prepare for potential future shortages of ammunition from other sources.

The bill would require the ammunition acquired, stored, and resold by the facility to be manufactured in Texas and the packaging to bear the state seal, state arms, or state flag, and “Made in Texas.”

The bill would direct any proceeds made by DPS under a contract for the facility to be deposited to GR Account 0116 – Texas Commission on Law Enforcement.

The bill would require DPS to submit an annual report to the Legislature regarding the status, condition, operation, and projected business for the facility each year no later than December 1.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2023.

According to the Comptroller of Public Accounts, any potential profits or losses associated with the operation of the facility cannot be determined.

According to DPS, the costs associated, while assumed to be significant, cannot be determined at this time due to the scale and likely output of the facility being unknown. It is assumed all costs associated with the contract with the facility operator would be paid with DPS funds.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a fund either in, with, or outside of the Treasury, or dedicate or rededicate a revenue source. The Legislature consolidated funds into the General Revenue Fund as of August 31, 1993 and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has enacted a funds consolidation bill. The dedication included in this bill, unless created by a constitutional amendment, would be subject to funds consolidation review by the current Legislature.

Local Government Impact

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

Source Agencies: 303 Facilities Commission, 304 Comptroller of Public Accounts, 405 Department of Public Safety
LBB Staff: JMc, DDel, KFB, DA