

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 13, 2015

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB991 by Bohac (Relating to the display of notice of federal and state tax rates for motor fuel sold at retail.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB991, As Engrossed: a negative impact of (\$160,000) through the biennium ending August 31, 2017.

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
2016	(\$160,000)
2017	\$0
2018	\$0
2019	\$0
2020	(\$160,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2016	(\$160,000)
2017	\$0
2018	\$0
2019	\$0
2020	(\$160,000)

Fiscal Analysis

The bill would amend the Agriculture Code to require the Texas Department of Agriculture (TDA) to display on each face of a motor fuel pump a notice of the current rates of the federal and state motor fuel taxes.

The bill would take effect January 1, 2016.

Methodology

TDA indicates it would be required to design and contract printing for 200,000 fuel tax stickers to meet the requirement to display stickers on each face of a motor fuel pump. TDA estimates that 160,000 stickers will be mailed to licensed locations in the first year and the remaining 40,000 stickers would be used in years 2, 3 and 4 for new licenses issued. This cost is estimated to be \$126,000 for all stickers in years 1, 2, 3 and 4. This estimate is based upon costs associated with printing Consumer Information Stickers that are currently required to be displayed on each face of a motor fuel pump.

It is further anticipated that the stickers will need to be replaced in five (5) years as a result of environmental degradation. Postage and shipping supplies required to ship the stickers to each fuel station is estimated to cost \$30,000. In 5 years, TDA will again incur these shipping costs to replace the stickers due to environmental degradation. TDA anticipates the need to hire 2 temporary employees at the rate of \$11.50 per hour to sort and ship stickers to all fuel stations in the state. The total cost for temporary employees is anticipated to be \$4,000 in years 1 and 5. Total 5 year fiscal impact is estimated to be \$320,000.

Local Government Impact

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

Source Agencies: 551 Department of Agriculture

LBB Staff: UP, CL, MW, TB, AG