

SENATE AMENDMENTS

2nd Printing

By: Darby, Pitts, Gonzales, Menendez,
Turner of Harris, et al.

H.B. No. 7

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the amounts, availability, and use of certain
3 statutorily dedicated revenue and accounts; reducing or affecting
4 the amounts or rates of certain statutorily dedicated fees and
5 assessments; imposing certain court costs.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Article 102.018, Code of Criminal Procedure, is
8 amended by adding Subsection (e) to read as follows:

9 (e) On the conviction of an offense relating to the
10 operating of a motor vehicle while intoxicated, as defined by
11 Section 49.09(c)(1)(A) or (B), Penal Code, the court shall impose a
12 cost of \$10 on a defendant. A cost imposed under this subsection is
13 in addition to a cost imposed under Subsection (a), (b), or (c).
14 Each cost collected under this subsection shall be deposited in the
15 account to the credit of the office of the governor as provided by
16 Section 401.106, Government Code, for the prevention of driving
17 while intoxicated.

18 SECTION 2. Subchapter B, Chapter 102, Government Code, is
19 amended by adding Section 102.0215 to read as follows:

20 Sec. 102.0215. ADDITIONAL COURT COSTS: CODE OF CRIMINAL
21 PROCEDURE. A defendant who is convicted of an offense relating to
22 the operating of a motor vehicle while intoxicated shall pay a cost
23 on conviction, in addition to all other costs, to help fund the
24 prevention of driving while intoxicated under Section 401.106,

1 Government Code (Art. 102.018(e), Code of Criminal Procedure) . . .
2 \$10.

3 SECTION 3. Chapter 322, Government Code, is amended by
4 adding Section 322.024 to read as follows:

5 Sec. 322.024. REDUCTION OF RELIANCE ON AVAILABLE DEDICATED
6 REVENUE FOR BUDGET CERTIFICATION. (a) In this section, "available
7 dedicated revenue" means revenue that Section 403.095 makes
8 available for certification under Section 403.121.

9 (b) The board shall:

10 (1) develop and implement a process to review:

11 (A) new legislative enactments that create
12 dedicated revenue; and

13 (B) the appropriation and accumulation of
14 dedicated revenue and available dedicated revenue;

15 (2) develop and implement tools to evaluate the use of
16 available dedicated revenue for state government financing and
17 budgeting; and

18 (3) develop specific and detailed recommendations on
19 actions the legislature may reasonably take to reduce state
20 government's reliance on available dedicated revenue for the
21 purposes of certification under Section 403.121 as authorized by
22 Section 403.095.

23 (c) The board shall incorporate into the board's budget
24 recommendations appropriate measures to reduce state government's
25 reliance on available dedicated revenue for the purposes of
26 certification under Section 403.121 as authorized by Section
27 403.095 and shall include with the budget recommendations plans for

1 further reducing state government's reliance on available
2 dedicated revenue for those purposes for the succeeding six years.

3 (d) For the purpose of reduction of reliance on available
4 dedicated revenue for budget certification, the board shall not set
5 the rate of growth of appropriation as required by Section 316.001
6 to exceed the lesser of:

7 (1) the revenue estimate required by Section 403.121;

8 (2) the estimated rate of growth of the state's economy
9 pursuant to Section 316.002; or

10 (3) a rate equal to the sum of:

11 (A) the estimated biennial rate of growth of the
12 state's population; and

13 (B) the estimated biennial rate of monetary
14 inflation in the state.

15 (e) The board shall determine the estimated biennial rate of
16 growth of the state's population based on the average rate of growth
17 during the preceding six years according to United States Census
18 Bureau estimates as certified by the comptroller. The board shall
19 determine the estimated biennial rate of monetary inflation in the
20 state based on the average rate of change during the preceding six
21 years of the effective consumer price index for the state. For
22 purposes of this subsection, the effective consumer price index for
23 the state is the average of the consumer price indexes as determined
24 by the United States Department of Labor for the Corpus Christi
25 metropolitan area and for the Dallas/Fort Worth metropolitan area.

26 (f) The board shall consult the comptroller as necessary to
27 accomplish the objectives of Subsections (b) and (c).

1 SECTION 4. Subchapter F, Chapter 401, Government Code, is
2 amended by adding Section 401.106 to read as follows:

3 Sec. 401.106. DRIVING WHILE INTOXICATED PREVENTION;
4 COLLECTION OF CERTAIN FEES. (a) In this section, "offense relating
5 to the operating of a motor vehicle while intoxicated" has the
6 meaning assigned by Section 49.09(c), Penal Code.

7 (b) Court costs imposed under Article 102.018(e), Code of
8 Criminal Procedure, shall be deposited in a general revenue
9 dedicated account to the credit of the office of the governor to be
10 used and may be appropriated only for the support of programs for
11 the prevention of offenses relating to the operating of a motor
12 vehicle while intoxicated in this state.

13 SECTION 5. Subchapter F, Chapter 403, Government Code, is
14 amended by adding Section 403.0956 to read as follows:

15 Sec. 403.0956. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
16 DEDICATED REVENUE. Notwithstanding any other law, all interest or
17 other earnings that accrue on all revenue held in an account in the
18 general revenue fund any part of which Section 403.095 makes
19 available for certification under Section 403.121 are available for
20 any general governmental purpose, and the comptroller shall deposit
21 the interest and earnings to the credit of the general revenue fund.

22 This section does not apply to:

23 (1) interest or earnings on revenue deposited in
24 accordance with Section 51.008, Education Code; or

25 (2) an account that accrues interest or other earnings
26 on deposits of state or federal money the diversion of which is
27 specifically excluded by state or federal law.

1 SECTION 6. Sections 361.013(a) and (f), Health and Safety
2 Code, are amended to read as follows:

3 (a) Except as provided by Subsections (e) through (i), the
4 commission shall charge a fee on all solid waste that is disposed of
5 within this state. The fee is 94 cents [~~\$1.25~~] per ton received for
6 disposal at a municipal solid waste landfill if the solid waste is
7 measured by weight. If the solid waste is measured by volume, the
8 fee for compacted solid waste is 30 [~~40~~] cents per cubic yard and
9 the fee [~~or~~] for uncompacted solid waste is 19 [~~7.25~~] cents per
10 cubic yard received for disposal at a municipal solid waste
11 landfill. The commission shall set the fee for sludge or similar
12 waste applied to the land for beneficial use on a dry weight basis
13 and for solid waste received at an incinerator or a shredding and
14 composting facility at half the fee set for solid waste received for
15 disposal at a landfill. The commission may charge comparable fees
16 for other means of solid waste disposal that are used.

17 (f) The commission may not charge a fee under Subsection (a)
18 for source separated [~~yard waste~~] materials that are processed
19 [~~composted~~] at a composting and mulch processing facility,
20 including a composting and mulch processing facility located at a
21 permitted landfill site. The commission shall credit any fee
22 payment due under Subsection (a) for any material received and
23 processed [~~converted~~] to compost or mulch product at the facility
24 [~~for composting through a composting process~~]. Any compost or
25 mulch product that is produced at a [~~for~~] composting and mulch
26 processing facility that is [~~not~~] used in the operation of the
27 facility or is disposed of [~~as compost and is deposited~~] in a

1 landfill is not exempt from the fee.

2 SECTION 7. Sections 361.014(a) and (b), Health and Safety
3 Code, are amended to read as follows:

4 (a) Revenue received by the commission under Section
5 361.013 shall be deposited in the state treasury to the credit of
6 the commission. Of that ~~[Half of the]~~ revenue, 66.7 percent is
7 dedicated to the commission's municipal solid waste permitting
8 programs, [and] enforcement programs, and site remediation
9 programs, and ~~[related support activities and]~~ to pay for
10 activities that will enhance the state's solid waste management
11 program. The commission shall issue a biennial report to the
12 legislature describing in detail how the money was spent. The
13 activities to enhance the state's solid waste management program
14 must include~~[, including]~~:

15 (1) provision of funds for the municipal solid waste
16 management planning fund and the municipal solid waste resource
17 recovery applied research and technical assistance fund
18 established by the Comprehensive Municipal Solid Waste Management,
19 Resource Recovery, and Conservation Act (Chapter 363);

20 (2) conduct of demonstration projects and studies to
21 help local governments of various populations and the private
22 sector to convert to accounting systems and set rates that reflect
23 the full costs of providing waste management services and are
24 proportionate to the amount of waste generated;

25 (3) provision of technical assistance to local
26 governments concerning solid waste management;

27 (4) establishment of a solid waste resource center in

1 the commission and an office of waste minimization and recycling;

2 (5) provision of supplemental funding to local
3 governments for the enforcement of this chapter, the Texas Litter
4 Abatement Act (Chapter 365), and Chapters 391 and 683,
5 Transportation Code;

6 (6) conduct of a statewide public awareness program
7 concerning solid waste management;

8 (7) provision of supplemental funds for other state
9 agencies with responsibilities concerning solid waste management,
10 recycling, and other initiatives with the purpose of diverting
11 recyclable waste from landfills;

12 (8) conduct of research to promote the development and
13 stimulation of markets for recycled waste products;

14 (9) creation of a state municipal solid waste
15 superfund, from funds appropriated, for:

16 (A) the cleanup of unauthorized tire dumps and
17 solid waste dumps for which a responsible party cannot be located or
18 is not immediately financially able to provide the cleanup;

19 (B) the cleanup or proper closure of abandoned or
20 contaminated municipal solid waste sites for which a responsible
21 party is not immediately financially able to provide the cleanup;
22 and

23 (C) remediation, cleanup, and proper closure of
24 unauthorized recycling sites for which a responsible party is not
25 immediately financially able to perform the remediation, cleanup,
26 and closure;

27 (10) provision of funds to mitigate the economic and

1 environmental impacts of lead-acid battery recycling activities on
2 local governments; and

3 (11) provision of funds for the conduct of research by
4 a public or private entity to assist the state in developing new
5 technologies and methods to reduce the amount of municipal waste
6 disposed of in landfills.

7 (b) Of [~~Half of~~] the revenue received by the commission
8 under Section 361.013, 33.3 percent is dedicated to local and
9 regional solid waste projects consistent with regional plans
10 approved by the commission in accordance with this chapter and to
11 update and maintain those plans. Those revenues shall be allocated
12 to municipal solid waste geographic planning regions for use by
13 local governments and regional planning commissions according to a
14 formula established by the commission that takes into account
15 population, area, solid waste fee generation, and public health
16 needs. Each planning region shall issue a biennial report to the
17 legislature detailing how the revenue is spent. A project or
18 service funded under this subsection must promote cooperation
19 between public and private entities and may not be otherwise
20 readily available or create a competitive advantage over a private
21 industry that provides recycling or solid waste services.

22 SECTION 8. Section 361.133, Health and Safety Code, is
23 amended by adding Subsection (c-1) to read as follows:

24 (c-1) Notwithstanding Subsection (c), money in the account
25 attributable to fees imposed under Section 361.138 may be used for
26 environmental remediation at the site of a closed battery recycling
27 facility located in the municipal boundaries of a municipality if

1 the municipality submits to the commission a voluntary compliance
2 plan for the site and is paying or has paid for part of the costs of
3 the environmental remediation of the site. This subsection expires
4 September 30, 2014.

5 SECTION 9. Section 771.0711(c), Health and Safety Code, is
6 amended to read as follows:

7 (c) Money collected under Subsection (b) may be used only
8 for services related to 9-1-1 services, including automatic number
9 identification and automatic location information services, or as
10 authorized by Section 771.079(c). Not later than the 15th day after
11 the end of the month in which the money is collected, the commission
12 shall distribute to each emergency communication district that does
13 not participate in the state system a portion of the money that
14 bears the same proportion to the total amount collected that the
15 population of the area served by the district bears to the
16 population of the state. The remaining money collected under
17 Subsection (b) shall be deposited to the 9-1-1 services fee
18 account.

19 SECTION 10. Section 771.079, Health and Safety Code, is
20 amended by amending Subsection (c) and adding Subsection (c-1) to
21 read as follows:

22 (c) Except as provided by Subsection (c-1), money [~~Money~~] in
23 the account may be appropriated only to the commission for
24 planning, development, provision, or enhancement of the
25 effectiveness of 9-1-1 service or for contracts with regional
26 planning commissions for 9-1-1 service, including for the purposes
27 of:

1 (1) maintaining 9-1-1 service levels while providing
2 for a transition to a system capable of addressing newer
3 technologies and capable of addressing other needs;

4 (2) planning and deploying statewide, regional, and
5 local emergency network systems; and

6 (3) updating geospatial mapping technologies.

7 (c-1) The legislature may appropriate money from the
8 account to provide assistance to volunteer fire departments under
9 Subchapter G, Chapter 614, Government Code, only if:

10 (1) the purposes described by Subsection (c) have been
11 accomplished or are fully funded for the fiscal period for which an
12 appropriation under this subsection is made; and

13 (2) all other sources of revenue dedicated for the
14 purposes of providing assistance to volunteer fire departments
15 under Subchapter G, Chapter 614, Government Code, are obligated for
16 the fiscal period for which an appropriation under this subsection
17 is made.

18 SECTION 11. Section 780.003(a), Health and Safety Code, is
19 amended to read as follows:

20 (a) The designated trauma facility and emergency medical
21 services account is created as a dedicated account in the general
22 revenue fund of the state treasury. Money in the account may be
23 appropriated only to:

24 (1) the department for the purposes described by
25 Section 780.004; or

26 (2) the Texas Higher Education Coordinating Board for
27 graduate-level:

1 (A) medical education programs; or

2 (B) nursing education programs.

3 SECTION 12. Section 2007.002, Insurance Code, is amended to
4 read as follows:

5 Sec. 2007.002. ASSESSMENT. The comptroller shall assess
6 against all insurers to which this chapter applies amounts for each
7 state fiscal year necessary, as determined by the commissioner, to
8 collect a combined total equal to the total amount that the General
9 Appropriations Act appropriates from the volunteer fire department
10 assistance fund account in the general revenue fund for that state
11 fiscal year [~~of \$30 million for each 12-month period~~].

12 SECTION 13. Section 81.067(c), Natural Resources Code, is
13 amended to read as follows:

14 (c) The fund consists of:

15 (1) proceeds from bonds and other financial security
16 required by this chapter and benefits under well-specific plugging
17 insurance policies described by Section 91.104(c) that are paid to
18 the state as contingent beneficiary of the policies, subject to the
19 refund provisions of Section 91.1091, if applicable;

20 (2) private contributions, including contributions
21 made under Section 89.084;

22 (3) expenses collected under Section 89.083;

23 (4) fees imposed under Section 85.2021;

24 (5) costs recovered under Section 91.457 or 91.459;

25 (6) proceeds collected under Sections 89.085 and
26 91.115;

27 (7) interest earned on the funds deposited in the

- 1 fund;
- 2 (8) oil and gas waste hauler permit application fees
3 collected under Section 29.015, Water Code;
- 4 (9) costs recovered under Section 91.113(f);
- 5 (10) hazardous oil and gas waste generation fees
6 collected under Section 91.605;
- 7 (11) oil-field cleanup regulatory fees on oil
8 collected under Section 81.116;
- 9 (12) oil-field cleanup regulatory fees on gas
10 collected under Section 81.117;
- 11 (13) fees for a reissued certificate collected under
12 Section 91.707;
- 13 (14) fees collected under Section 91.1013;
- 14 (15) fees collected under Section 89.088;
- 15 (16) fees collected under Section 91.142;
- 16 (17) fees collected under Section 91.654;
- 17 (18) costs recovered under Sections 91.656 and 91.657;
- 18 (19) two-thirds of the fees collected under Section
19 81.0521;
- 20 (20) fees collected under Sections 89.024 and 89.026;
- 21 (21) legislative appropriations; ~~and~~
- 22 (22) any surcharges collected under Section 81.070;
23 and
- 24 (23) fees collected under Section 91.0115.

25 SECTION 14. Section 81.068, Natural Resources Code, is
26 amended to read as follows:

27 Sec. 81.068. PURPOSE OF OIL AND GAS REGULATION AND CLEANUP

1 FUND. Money in the oil and gas regulation and cleanup fund may be
2 used by the commission or its employees or agents for any purpose
3 related to the regulation of oil and gas development, including oil
4 and gas monitoring and inspections, oil and gas remediation, oil
5 and gas well plugging, public information and services related to
6 those activities, the study and evaluation of electronic access to
7 geologic data and surface casing depths necessary to protect usable
8 groundwater in this state, and administrative costs and state
9 benefits for personnel involved in those activities.

10 SECTION 15. Section 91.0115, Natural Resources Code, is
11 amended by amending Subsection (c) and adding Subsection (d) to
12 read as follows:

13 (c) The commission shall charge a fee not to exceed \$75, in
14 addition to the fee required by Subsection (b), for processing a
15 request to expedite a letter of determination. [~~Money collected~~
16 ~~under this subsection may be used to study and evaluate electronic~~
17 ~~access to geologic data and surface casing depths under Section~~
18 ~~91.020.~~]

19 (d) The fees collected under this section shall be deposited
20 in the oil and gas regulation and cleanup fund.

21 SECTION 16. Section 151.801(c-1), Tax Code, is amended to
22 read as follows:

23 (c-1) Except as provided by this subsection, the [~~The~~]
24 comptroller may not credit to the Parks and Wildlife Department or
25 the Texas Historical Commission any amounts under this section that
26 are in excess of the amounts appropriated to the department or
27 commission for that biennium[~~, less any other amounts to which the~~

1 ~~department or commission is entitled].~~ In addition to amounts
2 appropriated to the Parks and Wildlife Department from the proceeds
3 described by Subsection (c), the comptroller shall transfer to
4 appropriate department accounts amounts from those proceeds
5 sufficient to fund the state contributions for employee benefits of
6 Parks and Wildlife Department employees whose salaries or wages are
7 paid from department accounts receiving the transfers.

8 SECTION 17. Section 501.138(b-2), Transportation Code, is
9 amended to read as follows:

10 (b-2) The comptroller shall establish a record of the amount
11 of the fees deposited to the credit of the Texas Mobility Fund under
12 Subsection (b-1) and shall monitor transfers to and from the Texas
13 emissions reduction plan fund. On or before the fifth workday of
14 each month, the department shall remit to the comptroller for
15 deposit to the credit of the Texas emissions reduction plan fund an
16 amount of money, not to exceed ~~[equal to]~~ the amount of the fees
17 deposited by the comptroller to the credit of the Texas Mobility
18 Fund under Subsection (b-1) in the preceding month, the comptroller
19 determines is necessary to meet amounts appropriated from the Texas
20 emissions reduction plan fund or, after consultation with the Texas
21 Commission on Environmental Quality, if a fee is imposed on
22 stationary sources in a county located in a nonattainment area as
23 provided by 42 U.S.C. Section 7511d, an amount of money not to
24 exceed the amount of the total of fees attributable to applicants
25 for titles, other than the state or political subdivisions of the
26 state, who reside in a county located in a nonattainment area or in
27 an affected county, as described by Subsection (a)(1). The

1 department shall use for remittance to the comptroller as required
2 by this subsection money in the state highway fund that is not
3 required to be used for a purpose specified by Section 7-a, Article
4 VIII, Texas Constitution, and may not use for that remittance money
5 received by this state under the congestion mitigation and air
6 quality improvement program established under 23 U.S.C. Section
7 149. The Texas Transportation Commission may designate for
8 congestion mitigation projects or for deposit to the Texas rail
9 relocation fund eligible amounts retained in the state highway fund
10 because the amounts were not required to be remitted under this
11 subsection on the condition that the Texas Commission on
12 Environmental Quality, after a public hearing, finds that the use
13 of the funds for those purposes will be at least as effective as
14 other eligible uses of those funds under the Texas emissions
15 reduction plan in maintaining or attaining compliance with the
16 federal Clean Air Act and notifies the Texas Transportation
17 Commission of that finding. Unless that condition is met, the
18 amounts shall be deposited to the credit of the Texas emissions
19 reduction plan fund. The Texas Commission on Environmental Quality
20 by rule shall adopt criteria for making the finding required by this
21 subsection.

22 SECTION 18. Subchapter G, Chapter 504, Transportation Code,
23 is amended by adding Section 504.6012 to read as follows:

24 Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS;
25 REVENUES IN TRUST. (a) Notwithstanding any other provision of this
26 subchapter, not later than September 30, 2013, the comptroller
27 shall eliminate all dedicated accounts established for specialty

1 license plates under this subchapter and shall set aside the
2 balances of those dedicated accounts so that the balances may be
3 appropriated only for the purposes intended as provided by the
4 dedications.

5 (b) On and after September 1, 2013, the portion of a fee
6 payable under this subchapter that is designated for deposit to a
7 dedicated account shall be paid instead to the credit of an account
8 in a trust fund created by the comptroller outside the general
9 revenue fund. The comptroller shall administer the trust fund and
10 accounts and may allocate the corpus and earnings on each account
11 only in accordance with the dedications of the revenue deposited to
12 the trust fund accounts.

13 SECTION 19. Section 17.007, Utilities Code, is amended to
14 read as follows:

15 Sec. 17.007. ELIGIBILITY PROCESS FOR CUSTOMER SERVICE
16 DISCOUNTS. The commission by rule shall provide for an integrated
17 eligibility process for customer service discounts, including
18 discounts under Sections 39.9035 [~~39.903~~] and 55.015.

19 SECTION 20. Section 39.002, Utilities Code, is amended to
20 read as follows:

21 Sec. 39.002. APPLICABILITY. This chapter, other than
22 Sections 39.155, 39.157(e), 39.203, 39.903, 39.9035, 39.904,
23 39.9051, 39.9052, and 39.914(e), does not apply to a municipally
24 owned utility or an electric cooperative. Sections 39.157(e),
25 39.203, and 39.904, however, apply only to a municipally owned
26 utility or an electric cooperative that is offering customer
27 choice. If there is a conflict between the specific provisions of

1 this chapter and any other provisions of this title, except for
2 Chapters 40 and 41, the provisions of this chapter control.

3 SECTION 21. Subchapter Z, Chapter 39, Utilities Code, is
4 amended by amending Section 39.903 and adding Section 39.9035 to
5 read as follows:

6 Sec. 39.903. SYSTEM BENEFIT FUND. (a) The system benefit
7 fund is an account in the general revenue fund. Money in the
8 account may be appropriated only for the purposes provided by this
9 section [~~or other law~~]. Interest earned on the system benefit fund
10 shall be credited to the fund. Section 403.095, Government Code,
11 does not apply to the system benefit fund.

12 (b) The system benefit fund is financed by a nonbypassable
13 system benefit fund fee set by the commission in an amount not to
14 exceed two [~~65~~] cents per megawatt hour. The system benefit fund
15 fee is allocated to customers based on the amount of kilowatt hours
16 used.

17 (c) The nonbypassable system benefit fund fee may not be
18 imposed on the retail electric customers of a municipally owned
19 utility or electric cooperative before the sixth month preceding
20 the date on which the utility or cooperative implements customer
21 choice. Money distributed from the system benefit fund to a
22 municipally owned utility or an electric cooperative shall be
23 proportional to the nonbypassable fee paid by the municipally owned
24 utility or the electric cooperative [~~, subject to the reimbursement~~
25 ~~provided by Subsection (i)~~]. On request by a municipally owned
26 utility or electric cooperative, the commission shall reduce the
27 nonbypassable fee imposed on retail electric customers served by

1 the municipally owned utility or electric cooperative by an amount
2 equal to the amount provided by the municipally owned utility or
3 electric cooperative or its ratepayers for [~~local low-income~~
4 ~~programs and~~] local programs that educate customers about the
5 retail electric market in a neutral and nonpromotional manner. The
6 commission shall adopt rules providing for reimbursements from
7 appropriated system benefit fund money for activities authorized
8 for funding under this section.

9 (d) The commission shall annually review and approve system
10 benefit fund accounts, projected revenue requirements, and
11 proposed nonbypassable fees. The commission shall report to the
12 electric utility restructuring legislative oversight committee if
13 the system benefit fund fee is insufficient to fund the purposes set
14 forth in Subsection (e) to the extent required by this section.

15 (e) Money in the system benefit fund may be appropriated to
16 provide funding solely for the following regulatory purposes [~~in~~
17 ~~the following order of priority~~]:

18 (1) [~~programs to:~~
19 [~~(A) assist low-income electric customers by~~
20 ~~providing the 10 percent reduced rate prescribed by Subsection (h),~~
21 ~~and~~

22 [~~(B) provide one-time bill payment assistance to~~
23 ~~electric customers who are or who have in their households one or~~
24 ~~more seriously ill or disabled low-income persons and who have been~~
25 ~~threatened with disconnection for nonpayment,~~

26 [~~2~~] customer education programs;

27 (2) [~~7~~] administrative expenses incurred by the

1 commission in implementing and administering this chapter;

2 (3) [~~and~~] expenses incurred by the office under this
3 chapter;

4 (4) [~~(3)~~] programs to assist low-income electric
5 customers by providing weatherization or other [~~the targeted~~]
6 energy efficiency programs [~~described by Subsection (f)(2)~~];

7 [~~(4) programs to assist low-income electric customers~~
8 ~~by providing the 20 percent reduced rate prescribed by Subsection~~
9 ~~(h)~~]; and

10 (5) reimbursement to the commission and the Health and
11 Human Services Commission for expenses incurred in the
12 implementation and administration of an integrated eligibility
13 process created under Section 17.007 for customer service discounts
14 relating to retail electric service, including outreach expenses
15 the commission determines are reasonable and necessary.

16 (f) The legislature may appropriate from the system benefit
17 fund not more than \$100 million each state fiscal biennium for the
18 purposes of Subsection (e)(4). Money appropriated from the system
19 benefit fund for the purposes of Subsection (e)(4) must be
20 transferred to the low-income electric customers program fund for
21 disbursement under Section 39.9035.

22 Sec. 39.9035. LOW-INCOME ELECTRIC CUSTOMERS PROGRAM FUND.

23 (a) In this section, "critical care residential customer" means a
24 residential customer who has a person permanently residing in the
25 customer's home who is diagnosed by a physician as being dependent
26 on an electric-powered medical device to sustain life.

27 (b) The commission shall adopt and enforce rules requiring

1 transmission and distribution utilities to establish a low-income
2 electric customers program fund under commission oversight. The
3 rules must provide for:

4 (1) the fund to be established as a trust fund outside
5 of the state treasury;

6 (2) the fund to be held by an administrator selected by
7 the transmission and distribution utilities in accordance with
8 standards adopted by the commission; and

9 (3) any interest earned on money in the fund to be
10 credited to the fund.

11 (c) The administrator serves as trustee of the fund for the
12 benefit of low-income electric customer programs described by this
13 section, and in accordance with commission rules, the administrator
14 may make any payments or reimbursements from the fund to further the
15 programs. Commission rules must prescribe the maximum percentage
16 of money available in the fund that may be used for the expenses of
17 administering the fund and for annual independent auditing of the
18 fund and expenditures and other transactions related to the fund.
19 The commission or its agents may at any time examine any records
20 related to the fund or investigate any fund-related expenditures or
21 expenses. The administrator and each transmission and distribution
22 utility shall fully cooperate with any investigation regarding the
23 fund conducted by the commission or its agents.

24 (d) The commission by rule shall impose a nonbypassable
25 low-income electric customers program fund fee to be set by the
26 commission in an amount not to exceed 50 cents per megawatt hour,
27 allocated to customers based on the amount of kilowatt hours used.

1 (e) The commission shall provide for a nonbypassable fee in
2 the same amount as the fee imposed under Subsection (d) to be
3 imposed on the retail electric customers of a municipally owned
4 utility or electric cooperative beginning on the first day of the
5 sixth month preceding the date on which the utility or cooperative
6 implements customer choice. Money distributed from the system
7 benefit fund to a municipally owned utility or an electric
8 cooperative shall be proportional to the nonbypassable fee paid by
9 the municipally owned utility or the electric cooperative. On
10 request by a municipally owned utility or electric cooperative, the
11 commission shall reduce the nonbypassable fee imposed on retail
12 electric customers served by the municipally owned utility or
13 electric cooperative by an amount equal to the amount provided by
14 the municipally owned utility or electric cooperative or its
15 ratepayers for local low-income programs.

16 (f) Commission rules adopted under this section must
17 provide that the low-income electric customers program fund fees
18 collected for the programs described by this section are collected
19 through the rates of the transmission and distribution service
20 providers and deposited into the low-income electric customers
21 program fund.

22 (g) Except as provided by Subsection (h), money in the
23 low-income electric customers program fund may be spent only for
24 the following regulatory purposes and must be allocated as follows:

25 (1) not more than 96 percent of the money available in
26 the fund must be used to provide a 15 percent reduced rate for
27 low-income households for each billing period during the months of

1 May through October of each year; and

2 (2) not more than 4 percent of the money available in
3 the fund must be used for bill payment assistance for critical care
4 residential customers with total household incomes not to exceed
5 400 percent of the federal poverty guidelines.

6 (h) Only money appropriated for the purposes of Section
7 39.903(e)(4) and transferred to the fund may be used to finance
8 low-income electric customer weatherization programs under this
9 section. The programs must be operated by a statewide network of
10 federal weatherization program providers under federal
11 weatherization program guidelines and may include related
12 low-income energy efficiency programs.

13 (i) [~~(f)~~ Notwithstanding Section 39.106(b), the commission
14 shall adopt rules regarding programs to assist low-income electric
15 customers on the introduction of customer choice. The programs may
16 not be targeted to areas served by municipally owned utilities or
17 electric cooperatives that have not adopted customer choice. The
18 programs shall include:

19 [(1) reduced electric rates as provided by Subsections
20 (h)-(1); and

21 [(2) targeted energy efficiency programs to be
22 administered by the Texas Department of Housing and Community
23 Affairs in coordination with existing weatherization programs.

24 [(g)] Until customer choice is introduced in a power region,
25 an electric utility may not reduce, in any manner, programs already
26 offered to assist low-income electric customers.

27 (j) [~~(h)~~] The commission shall adopt rules for a retail

1 electric provider to determine a reduced rate for eligible
2 customers to be discounted off the standard retail service package
3 as approved by the commission under Section 39.106 and shall
4 require a retail electric provider to apply the same reduction to
5 any rate plan under which an eligible low-income electric customer
6 is receiving service [~~, or the price to beat established by Section~~
7 ~~39.202, whichever is lower~~]. Municipally owned utilities and
8 electric cooperatives shall establish a reduced rate for eligible
9 customers to be discounted off the standard retail service package
10 established under Section 40.053 or 41.053, as appropriate, so that
11 the total of the discounts provided under this section is
12 proportional to the total of the nonbypassable fees imposed as
13 provided by Section 39.9035(e) that are collected from the retail
14 electric customers of the utility or cooperative. The reduced rate
15 for a retail electric provider shall result in a total charge for
16 each billing period that is at least 15 [~~10~~] percent [~~and, if~~
17 ~~sufficient money in the system benefit fund is available, up to 20~~
18 ~~percent,~~] lower than the amount the customer would otherwise be
19 charged for each billing period. To the extent the low-income
20 electric customers program [~~system benefit~~] fund is insufficient to
21 pay for [~~fund~~] the 15 [~~initial 10~~] percent rate reduction, the
22 commission may increase the fee to an amount of not more than 50
23 [~~65~~] cents per megawatt hour, as provided by Subsection (d) [~~(b)~~].
24 If the fee is set at 50 [~~65~~] cents per megawatt hour or if the
25 commission determines that revenues anticipated to be due for
26 deposit to the fund are [~~appropriations are~~] insufficient to pay
27 for [~~fund~~] the 15 [~~10~~] percent rate reduction, the commission shall

1 ~~may~~ reduce the rate of the reduction to less than 15 ~~10~~ percent.
2 For a municipally owned utility or electric cooperative, the
3 reduced rate shall be equal to an amount that can be fully funded by
4 that portion of the nonbypassable fee proceeds paid by the
5 municipally owned utility or electric cooperative that is allocated
6 to the utility or cooperative by the commission under Subsection
7 (g) ~~(e)~~ for programs for low-income customers of the utility or
8 cooperative. The reduced rate for municipally owned utilities and
9 electric cooperatives under this section is in addition to any rate
10 reduction that may result from local programs for low-income
11 customers of the municipally owned utilities or electric
12 cooperatives. Before August 1 of each even-numbered year, the
13 commission shall project whether revenue anticipated to be due for
14 deposit to the fund during the next state fiscal biennium will be
15 sufficient to pay for the 15 percent rate reduction. If the
16 commission projects that the anticipated revenue would be
17 insufficient to pay for the rate reduction, not later than August 1
18 the commission shall report to the Legislative Budget Board the
19 additional amount that would be necessary to pay for the rate
20 reduction and request that the board include in the budget for that
21 biennium an appropriation in that amount to the commission for that
22 purpose from the system benefit fund or another source.
23 Notwithstanding Section 39.903, the legislature may appropriate
24 money from the system benefit fund for the purpose of ensuring
25 sufficient funding to pay for the rate reduction.

26 (k) ~~(i)~~ A retail electric provider, municipally owned
27 utility, or electric cooperative seeking reimbursement from the

1 low-income electric customers program [~~system benefit~~] fund may not
 2 charge an eligible low-income customer a rate higher than the
 3 appropriate rate determined under Subsection (j) [~~(h)~~].
 4 Commission rules must provide for [~~A retail electric provider not~~
 5 ~~subject to the price to beat, or~~] a municipally owned utility or
 6 electric cooperative subject to the nonbypassable fee under
 7 Subsection (e) to [~~(c), shall~~] be reimbursed from the [~~system~~
 8 ~~benefit~~] fund for the difference between the reduced rate and the
 9 rate established under [~~Section 39.106 or, as appropriate, the rate~~
 10 ~~established under~~] Section 40.053 or 41.053, as appropriate. A
 11 retail electric provider [~~who is subject to the price to beat~~] shall
 12 be reimbursed from the [~~system benefit~~] fund for the difference
 13 between the reduced rate and the rate plan under which the customer
 14 is receiving service [~~the price to beat~~]. The commission shall
 15 adopt rules providing for the reimbursement.

16 (1) [~~(j)~~] The commission shall adopt rules providing for
 17 methods of enrolling customers eligible to receive the reduced
 18 rates determined under Subsection (j) [~~(h)~~]. The rules must
 19 provide for automatic enrollment as one enrollment option. The
 20 Health and [~~Texas Department of~~] Human Services Commission, on
 21 request of the commission, shall assist in the adoption and
 22 implementation of these rules. The commission and the Health and
 23 [~~Texas Department of~~] Human Services Commission shall enter into a
 24 memorandum of understanding establishing the respective duties of
 25 the agencies [~~commission and the department~~] in relation to the
 26 automatic enrollment. Rules adopted under this section must
 27 provide that:

1 (1) an electric customer eligible for the reduced
2 rates determined under Subsection (j) is also eligible for reduced
3 rates for telecommunications services offered for low-income
4 customers; and

5 (2) a customer eligible for reduced rates for
6 telecommunications services offered for low-income customers is
7 also eligible for the reduced rates established under Subsection
8 (j).

9 (m) [~~(j-1)~~] The commission shall adopt rules governing the
10 bill payment assistance program provided under Subsection (g)(2)
11 [~~(e)(1)(B)~~]. The rules must provide that a customer is eligible to
12 receive the assistance only if the assistance is necessary to
13 prevent the disconnection of service for nonpayment of bills for a
14 critical care residential customer [~~and the electric customer is or~~
15 ~~has in the customer's household one or more seriously ill or~~
16 ~~disabled low-income persons whose health or safety may be injured~~
17 ~~by the disconnection]. The commission may prescribe the
18 documentation necessary to demonstrate eligibility for the
19 assistance and may establish additional eligibility criteria. The
20 Health and Human Services Commission, on request of the commission,
21 shall assist in the adoption and implementation of these rules.~~

22 (n) [~~(k)~~] A retail electric provider is prohibited from
23 charging the customer a fee for participation in the reduced rate
24 program.

25 (o) Notwithstanding Subsections (d), (e), (f), and (j), the
26 low-income electric customers program fund fee may not be imposed
27 after August 31, 2023. After that date, the commission and the

1 administrator shall undertake to continue the low-income electric
2 customers programs described by this section until the balances of
3 the fund and the system benefit fund are exhausted.

4 ~~[(1) For the purposes of this section, a "low-income~~
5 ~~electric customer" is an electric customer:~~

6 ~~[(1) whose household income is not more than 125~~
7 ~~percent of the federal poverty guidelines; or~~

8 ~~[(2) who receives food stamps from the Texas~~
9 ~~Department of Human Services or medical assistance from a state~~
10 ~~agency administering a part of the medical assistance program.]~~

11 SECTION 22. Section 39.905(f), Utilities Code, is amended
12 to read as follows:

13 (f) Unless funding is provided under Section 39.9035
14 ~~[39.903]~~, each unbundled transmission and distribution utility
15 shall include in its energy efficiency plan a weatherization and
16 ~~[targeted]~~ low-income energy efficiency program as described by
17 Section 39.9035(h) ~~[39.903(f)(2)]~~, and the savings achieved by the
18 program shall count toward the transmission and distribution
19 utility's energy efficiency goal. The commission shall determine
20 the appropriate level of funding to be allocated to both the
21 required weatherization programs ~~[targeted]~~ and standard offer
22 low-income energy efficiency programs in each unbundled
23 transmission and distribution utility service area. The level of
24 funding for the required weatherization programs and low-income
25 energy efficiency programs shall be provided from money approved by
26 the commission for the transmission and distribution utility's
27 energy efficiency programs. The commission shall ensure that

1 annual expenditures for the required weatherization programs and
2 ~~[targeted]~~ low-income energy efficiency programs of each unbundled
3 transmission and distribution utility are not less than 10 percent
4 of the transmission and distribution utility's energy efficiency
5 budget for the year. A required weatherization program or a
6 ~~[targeted]~~ low-income energy efficiency program must comply with
7 the same audit requirements that apply to federal weatherization
8 subrecipients. In an energy efficiency cost recovery factor
9 proceeding related to expenditures under this subsection, the
10 commission shall make findings of fact regarding whether the
11 utility meets requirements imposed under this subsection. The
12 state agency that administers the federal weatherization
13 assistance program shall provide reports as required by the
14 commission to provide the most current information available on
15 energy and peak demand savings achieved in each transmission and
16 distribution utility service area. The agency shall participate in
17 energy efficiency cost recovery factor proceedings related to
18 expenditures under this subsection to ensure that the required
19 weatherization programs and ~~[targeted]~~ low-income weatherization
20 programs are consistent with federal weatherization programs and
21 adequately funded.

22 SECTION 23. Section 40.001(a), Utilities Code, is amended
23 to read as follows:

24 (a) Notwithstanding any other provision of law, except
25 Sections 39.155, 39.157(e), 39.203, 39.903, 39.9035, and 39.904,
26 this chapter governs the transition to and the establishment of a
27 fully competitive electric power industry for municipally owned

1 utilities. With respect to the regulation of municipally owned
2 utilities, this chapter controls over any other provision of this
3 title, except for sections in which the term "municipally owned
4 utility" is specifically used.

5 SECTION 24. Section 40.004, Utilities Code, is amended to
6 read as follows:

7 Sec. 40.004. JURISDICTION OF COMMISSION. Except as
8 specifically otherwise provided in this chapter, the commission has
9 jurisdiction over municipally owned utilities only for the
10 following purposes:

11 (1) to regulate wholesale transmission rates and
12 service, including terms of access, to the extent provided by
13 Subchapter A, Chapter 35;

14 (2) to regulate certification of retail service areas
15 to the extent provided by Chapter 37;

16 (3) to regulate rates on appeal under Subchapters D
17 and E, Chapter 33, subject to Section 40.051(c);

18 (4) to establish a code of conduct as provided by
19 Section 39.157(e) applicable to anticompetitive activities and to
20 affiliate activities limited to structurally unbundled affiliates
21 of municipally owned utilities, subject to Section 40.054;

22 (5) to establish terms and conditions for open access
23 to transmission and distribution facilities for municipally owned
24 utilities providing customer choice, as provided by Section 39.203;

25 (6) to require collection of the nonbypassable fees
26 [~~fee~~] established under Section 39.903(b) and Section 39.9035(e);

27 (7) [~~and~~] to administer the renewable energy credits

1 program under Section 39.904(b) and the natural gas energy credits
2 program under Section 39.9044(b); and

3 (8) [~~(7)~~] to require reports of municipally owned
4 utility operations only to the extent necessary to:

5 (A) enable the commission to determine the
6 aggregate load and energy requirements of the state and the
7 resources available to serve that load; or

8 (B) enable the commission to determine
9 information relating to market power as provided by Section 39.155.

10 SECTION 25. Section 41.001, Utilities Code, is amended to
11 read as follows:

12 Sec. 41.001. APPLICABLE LAW. Notwithstanding any other
13 provision of law, except Sections 39.155, 39.157(e), 39.203,
14 39.903, 39.9035, and 39.904, this chapter governs the transition to
15 and the establishment of a fully competitive electric power
16 industry for electric cooperatives. Regarding the regulation of
17 electric cooperatives, this chapter shall control over any other
18 provision of this title, except for sections in which the term
19 "electric cooperative" is specifically used.

20 SECTION 26. Subchapter I, Chapter 26, Water Code, is
21 amended by adding Section 26.35745 to read as follows:

22 Sec. 26.35745. REPORT ON CORRECTIVE ACTIONS FOR PETROLEUM
23 CONTAMINATED SITES AND FEES NECESSARY TO CONCLUDE PROGRAM. (a) The
24 commission annually shall prepare a report regarding the status of
25 corrective actions for sites reported to the commission under this
26 subchapter as having had a release needing corrective action. The
27 commission must issue the report to the legislature on or before

1 November 1 of each year.

2 (b) Regarding sites reported to the commission under this
3 subchapter as having had a release needing corrective action on or
4 before December 22, 1998, and that remain in the commission's PST
5 State-Lead Program on September 1, 2013, the report must include:

6 (1) the total number of sites;

7 (2) the total number of sites for which corrective
8 action is ongoing;

9 (3) the total number of sites monitored;

10 (4) the projected costs of the corrective actions;

11 (5) the projected costs of monitoring;

12 (6) a projected timeline for issuing closure letters
13 under this subchapter for all of the sites; and

14 (7) for each site, the corrective action activities
15 proposed and completed during the preceding state fiscal year.

16 (c) Regarding sites reported to the commission under this
17 subchapter as having had a release needing corrective action after
18 December 22, 1998, for which the commission has elected to assume
19 responsibility for undertaking corrective action under this
20 subchapter, the report must include:

21 (1) the current status of each site;

22 (2) the costs associated with the corrective action
23 activities performed during the preceding state fiscal year for the
24 sites;

25 (3) amounts recovered under Section 26.355 related to
26 the sites; and

27 (4) enforcement actions taken against owners and

1 operators related to those sites.

2 (d) The commission shall investigate the amount of fees that
3 would be necessary to cover the costs necessary to conclude the
4 programs and activities under this subchapter before September 1,
5 2021. The commission shall include in the annual report under this
6 section the conclusions of the investigation and the commission's
7 recommendations regarding the fees and programs and activities.

8 (e) This section expires September 1, 2021.

9 SECTION 27. (a) The comptroller of public accounts shall
10 compute the amount by which the amount of the revenue described by
11 Object Code 3201, Insurance Premium Taxes, as referenced in the
12 comptroller's biennial revenue estimate submitted in advance of the
13 83rd Legislature, Regular Session, 2013, and actually received
14 during the state fiscal biennium beginning September 1, 2013,
15 exceeds the amount of that revenue as estimated for that biennium in
16 the biennial revenue estimate.

17 (b) Notwithstanding any other law providing for the
18 allocation or dedication of the revenue described by Object Code
19 3201, Insurance Premium Taxes, as referenced in the comptroller's
20 biennial revenue estimate submitted in advance of the 83rd
21 Legislature, Regular Session, 2013, the first \$340 million of the
22 amount of the excess revenue computed by the comptroller under
23 Subsection (a) of this section shall be considered available for
24 appropriation for providing the nonfederal share of
25 disproportionate share hospitals supplemental payment program
26 funds.

27 (c) This section expires August 31, 2015.

1 SECTION 28. Article 102.018(e), Code of Criminal Procedure,
2 as added by this Act, applies only to a cost on conviction for an
3 offense committed on or after September 1, 2013. An offense
4 committed before September 1, 2013, is governed by the law in effect
5 on the date the offense was committed, and the former law is
6 continued in effect for that purpose. For purposes of this section,
7 an offense was committed before September 1, 2013, if any element of
8 the offense was committed before that date.

9 SECTION 29. The Public Utility Commission of Texas shall
10 adopt or revise, as necessary to implement this Act, rules
11 governing the system benefit fund and the low-income electric
12 customers program fund under Section 39.903, Utilities Code, as
13 amended by this Act, and Section 39.9035, Utilities Code, as added
14 by this Act, not later than January 1, 2014.

15 SECTION 30. This Act takes effect immediately if it
16 receives a vote of two-thirds of all the members elected to each
17 house, as provided by Section 39, Article III, Texas Constitution.
18 If this Act does not receive the vote necessary for immediate
19 effect, this Act takes effect September 1, 2013.

1 purposes of certification under Section 403.121 as authorized by
2 Section 403.095.

3 (c) The board shall incorporate into the board's budget
4 recommendations appropriate measures to reduce state government's
5 reliance on available dedicated revenue for the purposes of
6 certification under Section 403.121 as authorized by Section
7 403.095 and shall include with the budget recommendations plans for
8 further reducing state government's reliance on available
9 dedicated revenue for those purposes for the succeeding six years.

10 (d) The board shall consult the comptroller as necessary to
11 accomplish the objectives of Subsections (b) and (c).

12 SECTION 2. Subchapter F, Chapter 403, Government Code, is
13 amended by adding Section 403.0956 to read as follows:

14 Sec. 403.0956. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
15 DEDICATED REVENUE. Notwithstanding any other law, all interest or
16 other earnings that accrue on all revenue held in an account in the
17 general revenue fund any part of which Section 403.095 makes
18 available for certification under Section 403.121 are available for
19 any general governmental purpose, and the comptroller shall deposit
20 the interest and earnings to the credit of the general revenue fund.
21 This section does not apply to:

22 (1) interest or earnings on revenue deposited in
23 accordance with Section 51.008, Education Code; or

24 (2) an account that accrues interest or other earnings
25 on deposits of state or federal money the diversion of which is
26 specifically excluded by federal law.

27 SECTION 3. Sections 361.013(a) and (f), Health and Safety

1 Code, are amended to read as follows:

2 (a) Except as provided by Subsections (e) through (i), the
3 commission shall charge a fee on all solid waste that is disposed of
4 within this state. The fee is 94 cents [~~\$1.25~~] per ton received for
5 disposal at a municipal solid waste landfill if the solid waste is
6 measured by weight. If the solid waste is measured by volume, the
7 fee for compacted solid waste is 30 [~~40~~] cents per cubic yard and
8 the fee [~~or~~] for uncompact solid waste is 19 [~~25~~] cents per
9 cubic yard received for disposal at a municipal solid waste
10 landfill. The commission shall set the fee for sludge or similar
11 waste applied to the land for beneficial use on a dry weight basis
12 and for solid waste received at an incinerator or a shredding and
13 composting facility at half the fee set for solid waste received for
14 disposal at a landfill. The commission may charge comparable fees
15 for other means of solid waste disposal that are used.

16 (f) The commission may not charge a fee under Subsection (a)
17 for source separated [~~yard waste~~] materials that are processed
18 [~~composted~~] at a composting and mulch processing facility,
19 including a composting and mulch processing facility located at a
20 permitted landfill site. The commission shall credit any fee
21 payment due under Subsection (a) for any material received and
22 processed [~~converted~~] to compost or mulch product at the facility
23 [~~for composting through a composting process~~]. Any compost or
24 mulch product that is produced at a [~~for~~] composting and mulch
25 processing facility that is [~~not~~] used in the operation of the
26 facility or is disposed of [~~as compost and is deposited~~] in a
27 landfill is not exempt from the fee.

1 SECTION 4. Sections 361.014(a) and (b), Health and Safety
2 Code, are amended to read as follows:

3 (a) Revenue received by the commission under Section
4 361.013 shall be deposited in the state treasury to the credit of
5 the commission. Of that ~~[Half of the]~~ revenue, 66.7 percent is
6 dedicated to the commission's municipal solid waste permitting
7 programs, [and] enforcement programs, and site remediation
8 programs, and [related support activities and] to pay for
9 activities that will enhance the state's solid waste management
10 program. The commission shall issue a biennial report to the
11 legislature describing in detail how the money was spent. The
12 activities to enhance the state's solid waste management program
13 must include ~~[, including]~~:

14 (1) provision of funds for the municipal solid waste
15 management planning fund and the municipal solid waste resource
16 recovery applied research and technical assistance fund
17 established by the Comprehensive Municipal Solid Waste Management,
18 Resource Recovery, and Conservation Act (Chapter 363);

19 (2) conduct of demonstration projects and studies to
20 help local governments of various populations and the private
21 sector to convert to accounting systems and set rates that reflect
22 the full costs of providing waste management services and are
23 proportionate to the amount of waste generated;

24 (3) provision of technical assistance to local
25 governments concerning solid waste management;

26 (4) establishment of a solid waste resource center in
27 the commission and an office of waste minimization and recycling;

1 (5) provision of supplemental funding to local
2 governments for the enforcement of this chapter, the Texas Litter
3 Abatement Act (Chapter 365), and Chapters 391 and 683,
4 Transportation Code;

5 (6) conduct of a statewide public awareness program
6 concerning solid waste management;

7 (7) provision of supplemental funds for other state
8 agencies with responsibilities concerning solid waste management,
9 recycling, and other initiatives with the purpose of diverting
10 recyclable waste from landfills;

11 (8) conduct of research to promote the development and
12 stimulation of markets for recycled waste products;

13 (9) creation of a state municipal solid waste
14 superfund, from funds appropriated, for:

15 (A) the cleanup of unauthorized tire dumps and
16 solid waste dumps for which a responsible party cannot be located or
17 is not immediately financially able to provide the cleanup;

18 (B) the cleanup or proper closure of abandoned or
19 contaminated municipal solid waste sites for which a responsible
20 party is not immediately financially able to provide the cleanup;
21 and

22 (C) remediation, cleanup, and proper closure of
23 unauthorized recycling sites for which a responsible party is not
24 immediately financially able to perform the remediation, cleanup,
25 and closure;

26 (10) provision of funds to mitigate the economic and
27 environmental impacts of lead-acid battery recycling activities on

1 local governments; and

2 (11) provision of funds for the conduct of research by
3 a public or private entity to assist the state in developing new
4 technologies and methods to reduce the amount of municipal waste
5 disposed of in landfills.

6 (b) Of [~~Half of~~] the revenue received by the commission
7 under Section 361.013, 33.3 percent is dedicated to local and
8 regional solid waste projects consistent with regional plans
9 approved by the commission in accordance with this chapter and to
10 update and maintain those plans. Those revenues shall be allocated
11 to municipal solid waste geographic planning regions for use by
12 local governments and regional planning commissions according to a
13 formula established by the commission that takes into account
14 population, area, solid waste fee generation, and public health
15 needs. Each planning region shall issue a biennial report to the
16 legislature detailing how the revenue is spent. A project or
17 service funded under this subsection must promote cooperation
18 between public and private entities and may not be otherwise
19 readily available or create a competitive advantage over a private
20 industry that provides recycling or solid waste services.

21 SECTION 5. Section 361.133, Health and Safety Code, is
22 amended by adding Subsection (c-1) to read as follows:

23 (c-1) Notwithstanding Subsection (c), money in the account
24 attributable to fees imposed under Section 361.138 may be used for
25 environmental remediation at the site of a closed battery recycling
26 facility located in the municipal boundaries of a municipality if
27 the municipality submits to the commission a voluntary compliance

1 plan for the site and is paying or has paid for part of the costs of
2 the environmental remediation of the site. This subsection expires
3 September 30, 2014.

4 SECTION 6. Section 771.0711(c), Health and Safety Code, is
5 amended to read as follows:

6 (c) Money collected under Subsection (b) may be used only
7 for services related to 9-1-1 services, including automatic number
8 identification and automatic location information services, or as
9 authorized by Section 771.079(c). Not later than the 15th day after
10 the end of the month in which the money is collected, the commission
11 shall distribute to each emergency communication district that does
12 not participate in the state system a portion of the money that
13 bears the same proportion to the total amount collected that the
14 population of the area served by the district bears to the
15 population of the state. The remaining money collected under
16 Subsection (b) shall be deposited to the 9-1-1 services fee
17 account.

18 SECTION 7. Section 771.079, Health and Safety Code, is
19 amended by amending Subsection (c) and adding Subsection (c-1) to
20 read as follows:

21 (c) Except as provided by Subsection (c-1), money [~~Money~~] in
22 the account may be appropriated only to the commission for
23 planning, development, provision, or enhancement of the
24 effectiveness of 9-1-1 service or for contracts with regional
25 planning commissions for 9-1-1 service, including for the purposes
26 of:

27 (1) maintaining 9-1-1 service levels while providing

1 for a transition to a system capable of addressing newer
2 technologies and capable of addressing other needs;

3 (2) planning and deploying statewide, regional, and
4 local emergency network systems; and

5 (3) updating geospatial mapping technologies.

6 (c-1) The legislature may appropriate money from the
7 account to provide assistance to volunteer fire departments under
8 Subchapter G, Chapter 614, Government Code, only if:

9 (1) the purposes described by Subsection (c) have been
10 accomplished or are fully funded for the fiscal period for which an
11 appropriation under this subsection is made; and

12 (2) all other sources of revenue dedicated for the
13 purposes of providing assistance to volunteer fire departments
14 under Subchapter G, Chapter 614, Government Code, are obligated for
15 the fiscal period for which an appropriation under this subsection
16 is made.

17 SECTION 8. Section 780.003(a), Health and Safety Code, is
18 amended to read as follows:

19 (a) The designated trauma facility and emergency medical
20 services account is created as a dedicated account in the general
21 revenue fund of the state treasury. Money in the account may be
22 appropriated only to:

23 (1) the department for the purposes described by
24 Section 780.004; or

25 (2) the Texas Higher Education Coordinating Board for
26 graduate-level:

27 (A) medical education programs; or

1 (B) nursing education programs.

2 SECTION 9. Section 2007.002, Insurance Code, is amended to
3 read as follows:

4 Sec. 2007.002. ASSESSMENT. The comptroller shall assess
5 against all insurers to which this chapter applies amounts for each
6 state fiscal year necessary, as determined by the commissioner, to
7 collect a combined total equal to the lesser of the total amount
8 that the General Appropriations Act appropriates from the volunteer
9 fire department assistance fund account in the general revenue fund
10 for that state fiscal year and ~~of~~ \$30 million ~~for each 12-month~~
11 period].

12 SECTION 10. Section 81.067(c), Natural Resources Code, is
13 amended to read as follows:

14 (c) The fund consists of:

15 (1) proceeds from bonds and other financial security
16 required by this chapter and benefits under well-specific plugging
17 insurance policies described by Section 91.104(c) that are paid to
18 the state as contingent beneficiary of the policies, subject to the
19 refund provisions of Section 91.1091, if applicable;

20 (2) private contributions, including contributions
21 made under Section 89.084;

22 (3) expenses collected under Section 89.083;

23 (4) fees imposed under Section 85.2021;

24 (5) costs recovered under Section 91.457 or 91.459;

25 (6) proceeds collected under Sections 89.085 and
26 91.115;

27 (7) interest earned on the funds deposited in the

1 fund;

2 (8) oil and gas waste hauler permit application fees
3 collected under Section 29.015, Water Code;

4 (9) costs recovered under Section 91.113(f);

5 (10) hazardous oil and gas waste generation fees
6 collected under Section 91.605;

7 (11) oil-field cleanup regulatory fees on oil
8 collected under Section 81.116;

9 (12) oil-field cleanup regulatory fees on gas
10 collected under Section 81.117;

11 (13) fees for a reissued certificate collected under
12 Section 91.707;

13 (14) fees collected under Section 91.1013;

14 (15) fees collected under Section 89.088;

15 (16) fees collected under Section 91.142;

16 (17) fees collected under Section 91.654;

17 (18) costs recovered under Sections 91.656 and 91.657;

18 (19) two-thirds of the fees collected under Section
19 81.0521;

20 (20) fees collected under Sections 89.024 and 89.026;

21 (21) legislative appropriations; ~~and~~

22 (22) any surcharges collected under Section 81.070;

23 and

24 (23) fees collected under Section 91.0115.

25 SECTION 11. Section 81.068, Natural Resources Code, is
26 amended to read as follows:

27 Sec. 81.068. PURPOSES ~~[PURPOSE]~~ OF OIL AND GAS REGULATION

1 AND CLEANUP FUND. Money in the oil and gas regulation and cleanup
2 fund may be used by the commission or its employees or agents for
3 any purpose related to the regulation of oil and gas development,
4 including oil and gas monitoring and inspections, oil and gas
5 remediation, and oil and gas well plugging, the study and
6 evaluation of electronic access to geologic data and surface casing
7 depths necessary to protect usable groundwater in this state,
8 alternative fuels programs under Section 81.0681, public
9 information and services related to those activities, and
10 administrative costs and state benefits for personnel involved in
11 those activities.

12 SECTION 12. Subchapter C, Chapter 81, Natural Resources
13 Code, is amended by adding Section 81.0681 to read as follows:

14 Sec. 81.0681. ALTERNATIVE FUELS PROGRAMS. (a) The
15 commission may adopt all necessary rules relating to activities
16 regarding the use of alternative fuels that are or have the
17 potential to be effective in improving the air quality, energy
18 security, or economy of this state.

19 (b) The commission may use the oil and gas regulation and
20 cleanup fund to pay for activities relating to the use of
21 alternative fuels, including direct and indirect costs relating to:

22 (1) researching all possible uses of liquefied
23 petroleum gas and natural gas as alternative fuels;

24 (2) researching, developing, and implementing
25 marketing, advertising, and informational programs relating to
26 alternative fuels to make alternative fuels more understandable and
27 readily available to consumers;

1 (3) developing and implementing conservation and
2 distribution plans to minimize the frequency and severity of
3 disruptions in the supply of alternative fuels;

4 (4) developing a public information plan that will
5 provide advisory services relating to alternative fuels to
6 consumers;

7 (5) developing voluntary participation plans to
8 promote the use of alternative fuels by federal, state, and local
9 agencies; and

10 (6) other functions the commission determines are
11 necessary to add a program established by the commission for the
12 purpose of promoting the use of liquefied petroleum gas, natural
13 gas, or other alternative fuels.

14 SECTION 13. Section 91.0115, Natural Resources Code, is
15 amended by amending Subsection (c) and adding Subsection (d) to
16 read as follows:

17 (c) The commission shall charge a fee not to exceed \$75, in
18 addition to the fee required by Subsection (b), for processing a
19 request to expedite a letter of determination. [~~Money collected~~
20 ~~under this subsection may be used to study and evaluate electronic~~
21 ~~access to geologic data and surface casing depths under Section~~
22 ~~91.020.~~]

23 (d) The fees collected under this section shall be deposited
24 in the oil and gas regulation and cleanup fund.

25 SECTION 14. Section 151.801(c-1), Tax Code, is amended to
26 read as follows:

27 (c-1) Except as provided by this subsection, the [The]

1 comptroller may not credit to the Parks and Wildlife Department or
2 the Texas Historical Commission any amounts under this section that
3 are in excess of the amounts appropriated to the department or
4 commission for that biennium[~~, less any other amounts to which the~~
5 ~~department or commission is entitled~~]. In addition to amounts
6 appropriated to the Parks and Wildlife Department from the proceeds
7 described by Subsection (c), the comptroller shall transfer to
8 appropriate department accounts amounts from those proceeds
9 sufficient to fund the state contributions for employee benefits of
10 Parks and Wildlife Department employees whose salaries or wages are
11 paid from department accounts receiving the transfers.

12 SECTION 15. Subchapter G, Chapter 504, Transportation Code,
13 is amended by adding Section 504.6012 to read as follows:

14 Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS;
15 REVENUES IN TRUST. (a) Notwithstanding any other provision of this
16 subchapter, not later than September 30, 2013, the comptroller
17 shall eliminate all dedicated accounts established for specialty
18 license plates under this subchapter and shall set aside the
19 balances of those dedicated accounts so that the balances may be
20 appropriated only for the purposes intended as provided by the
21 dedications.

22 (b) On and after September 1, 2013, the portion of a fee
23 payable under this subchapter that is designated for deposit to a
24 dedicated account shall be paid instead to the credit of an account
25 in a trust fund created by the comptroller outside the general
26 revenue fund. The comptroller shall administer the trust fund and
27 accounts and may allocate the corpus and earnings on each account

1 only in accordance with the dedications of the revenue deposited to
2 the trust fund accounts.

3 SECTION 16. Subchapter Z, Chapter 39, Utilities Code, is
4 amended by adding Section 39.9039 to read as follows:

5 Sec. 39.9039. DISBURSEMENT OF SYSTEM BENEFIT FUND BALANCE.

6 (a) Money in the system benefit fund may be appropriated for the
7 purpose of returning the money to payers of the fee imposed under
8 Section 39.903 as provided by this section.

9 (b) After consultation with the comptroller, the commission
10 by rule shall establish a system for transmission and distribution
11 utilities, retail electric providers, municipally owned utilities,
12 or electric cooperatives to credit retail electric customers' bills
13 in amounts necessary to expend in accordance with this section and
14 as fully as practicable any portion of the system benefit fund
15 appropriated to the commission for that purpose.

16 (c) The commission shall direct the comptroller to disburse
17 as much as practicable of the appropriated money described by
18 Subsection (b) as soon as practicable in one or more installments to
19 transmission and distribution utilities, retail electric
20 providers, municipally owned utilities, or electric cooperatives
21 under the system established under Subsection (b) so that each
22 entity receives an amount necessary to give each retail electric
23 customer that has customer choice an equal credit so that the total
24 of the credits equals the total amount disbursed.

25 (d) The commission by rule shall require each entity
26 receiving disbursements under this section to ensure that retail
27 electric customers that have customer choice, through one or more

1 billings for electric services, each receive equal credits that, in
2 the aggregate, equal the amount of the disbursements received under
3 this section, less a reasonable amount to reimburse the entity for
4 administering this section as established by the commission in an
5 amount not to exceed two percent of the disbursements. The
6 commission by rule shall ensure that the customer is provided, with
7 the customer's bill, notice that the refund of the system benefit
8 fund fee is "provided by the Texas Legislature."

9 (e) The comptroller and commission jointly shall issue a
10 report on the progress made in developing and implementing the
11 system required to be established by Subsection (b), and in
12 disbursing the amount appropriated from the system benefit fund
13 through that system, not later than December 15 of each fiscal year
14 for which the money is appropriated. The report issued under this
15 subsection must be presented in writing to the governor, the
16 lieutenant governor, the speaker of the house of representatives,
17 and the standing committees of the senate and house of
18 representatives having primary jurisdiction over electric
19 utilities.

20 SECTION 17. Subchapter I, Chapter 26, Water Code, is
21 amended by adding Section 26.35745 to read as follows:

22 Sec. 26.35745. REPORT ON CORRECTIVE ACTIONS FOR PETROLEUM
23 CONTAMINATED SITES AND FEES NECESSARY TO CONCLUDE PROGRAM. (a) The
24 commission annually shall prepare a report regarding the status of
25 corrective actions for sites reported to the commission under this
26 subchapter as having had a release needing corrective action. The
27 commission must issue the report to the legislature on or before

1 November 1 of each year.

2 (b) Regarding sites reported to the commission under this
3 subchapter as having had a release needing corrective action on or
4 before December 22, 1998, and that remain in the commission's PST
5 State-Lead Program on September 1, 2013, the report must include:

- 6 (1) the total number of sites;
7 (2) the total number of sites for which corrective
8 action is ongoing;
9 (3) the total number of sites monitored;
10 (4) the projected costs of the corrective actions;
11 (5) the projected costs of monitoring;
12 (6) a projected timeline for issuing closure letters
13 under this subchapter for all of the sites; and
14 (7) for each site, the corrective action activities
15 proposed and completed during the preceding state fiscal year.

16 (c) Regarding sites reported to the commission under this
17 subchapter as having had a release needing corrective action after
18 December 22, 1998, for which the commission has elected to assume
19 responsibility for undertaking corrective action under this
20 subchapter, the report must include:

- 21 (1) the current status of each site;
22 (2) the costs associated with the corrective action
23 activities performed during the preceding state fiscal year for the
24 sites;
25 (3) amounts recovered under Section 26.355 related to
26 the sites; and
27 (4) enforcement actions taken against owners and

1 operators related to those sites.

2 (d) The commission shall investigate the amount of fees that
3 would be necessary to cover the costs necessary to conclude the
4 programs and activities under this subchapter before September 1,
5 2021. The commission shall include in the annual report under this
6 section the conclusions of the investigation and the commission's
7 recommendations regarding the fees and programs and activities.

8 (e) This section expires September 1, 2021.

9 SECTION 18. The balance of the system benefit fund, to the
10 extent that balance is not otherwise appropriated by an Act of the
11 82nd Legislature or by an Act of the 83rd Legislature, Regular
12 Session, 2013, is appropriated to the comptroller of public
13 accounts for the period beginning on the effective date of this Act
14 and ending August 31, 2014, for the purpose of returning the money
15 to payers of the fee imposed under Section 39.903, Utilities Code,
16 as provided by Section 39.9039, Utilities Code, as added by this
17 Act.

18 SECTION 19. This Act takes effect immediately if it
19 receives a vote of two-thirds of all the members elected to each
20 house, as provided by Section 39, Article III, Texas Constitution.
21 If this Act does not receive the vote necessary for immediate
22 effect, this Act takes effect September 1, 2013.

ADOPTED

MAY 21 2013

Atay Spaul
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *William*

1 Amend C.S.H.B. No. 7 (senate committee printing) as follows:

2 (1) In SECTION 2 of the bill, adding Section 403.0956,
3 Government Code (page 2), strike lines 12 through 15 and
4 substitute:

5 accordance with Section 51.008, Education Code;

6 (2) interest or earnings on deposits of federal money
7 the diversion of which is specifically excluded by federal law;

8 (3) the lifetime license endowment account; or

9 (4) the game, fish, and water safety account.

10 (2) In SECTION 4 of the bill, in the last sentence of amended
11 Section 361.014(a), Health and Safety Code (page 2, line 56),
12 strike "must include~~[, including]~~:" and substitute "may include~~[, including]~~:".

14 (3) In SECTION 18 of the bill, appropriating the balance of
15 the system benefit fund (page 7, line 58), between "fund," and "to
16 the", insert "in an amount not to exceed \$630 million,".

17 (4) Add to the bill the following appropriately numbered
18 section and renumber any subsequent sections of the bill
19 accordingly:

20 SECTION _____. (a) Subchapter I, Chapter 113, Natural
21 Resources Code, is repealed.

22 (b) On the effective date of this Act:

23 (1) the alternative fuels research and education fund
24 is abolished;

25 (2) any money remaining in the alternative fuels
26 research and education fund is transferred to the undedicated
27 portion of the general revenue fund;

28 (3) any claim against the alternative fuels research
29 and education fund is transferred to the undedicated portion of the

1 general revenue fund; and

2 (4) any amount required to be deposited to the credit
3 of the alternative fuels research and education fund shall be
4 deposited to the credit of the undedicated portion of the general
5 revenue fund.

6 (c) Any money transferred from the alternative fuels
7 research and education fund to the undedicated portion of the
8 general revenue fund that was deposited in the alternative fuels
9 research and education fund as a gift, grant, or other form of
10 assistance under former Subchapter I, Chapter 113, Natural
11 Resources Code, and is encumbered by the specific terms of the gift,
12 grant, or other form of assistance may be spent only in accordance
13 with the terms of the gift, grant, or other form of assistance.
14 Subchapter I, Chapter 113, Natural Resources Code, is continued in
15 effect for the limited purpose of administering this subsection.

FLOOR AMENDMENT NO. 2

BY: Robert Owen

1 Amend H.B. No. 7 by adding an appropriately numbered
2 SECTION to read as follows:

3 SECTION __. Effective September 1, 2015, Section
4 56.095(b), Education Code, is repealed.

ADOPTED

MAY 21 2013

Lotay Spaw
Secretary of the Senate

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 23, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB7 by Darby (Relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments; imposing certain court costs.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB7, As Passed 2nd House: a positive impact of \$107,220,612 through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013; or a positive impact of \$97,707,766 through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. Combined, the net loss to General Revenue-Dedicated Accounts and the net gain to General Revenue Fund 0001 associated with the reallocation of interest would offset each other, resulting in no significant impact for certification purposes. Other provisions of the bill that reduce General Revenue-Dedicated account balances would have a negative impact on amounts available for certification.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The following tables reflect the estimated impact if the effective date of the bill is June 1, 2013.

All Funds, Six-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>State Parks Acct</i> 64	Probable Revenue Gain/(Loss) from <i>Alter Fuels Research Acct</i> 101
2013	\$234,096	\$13,997,750	\$888,000	(\$5,201,500)
2014	\$936,383	\$42,362,000	\$3,551,000	(\$1,930,000)
2015	\$936,383	\$48,754,000	\$3,551,000	(\$1,930,000)
2016	\$936,383	\$48,754,000	\$3,551,000	(\$1,930,000)
2017	\$936,383	\$48,754,000	\$3,551,000	(\$1,930,000)
2018	\$936,383	\$48,754,000	\$3,551,000	(\$1,930,000)

Fiscal Year	Probable Revenue Gain from <i>Local Parks Account</i> 467	Probable Revenue (Loss) from <i>Solid Waste Disposal Acct</i> 5000	Probable Revenue (Loss) from <i>Volunteer Fire Dept Assistance</i> 5064	Probable (Cost) from <i>System Benefit Account</i> 5100
2013	\$19,000	(\$2,127,000)	(\$7,500,000)	\$0
2014	\$75,000	(\$8,700,000)	(\$16,500,000)	(\$630,000,000)
2015	\$75,000	(\$8,600,000)	(\$16,500,000)	\$0
2016	\$75,000	(\$8,600,000)	(\$16,500,000)	\$0
2017	\$75,000	(\$8,600,000)	(\$16,500,000)	\$0
2018	\$75,000	(\$8,600,000)	(\$16,500,000)	\$0

Fiscal Year	Probable Revenue Gain from <i>Large Cnty & Muni Rec & Parks</i> 5150	Probable (Cost) from <i>Oil & Gas Regulation</i> 5155	Probable Revenue Gain from <i>Oil & Gas Regulation</i> 5155	Probable Revenue Gain/(Loss) from <i>Combined Select General Revenue Dedicated (Interest Reallocation)</i>
2013	\$16,000	(\$486,856)	\$467,000	(\$10,186,250)
2014	\$64,000	(\$1,947,425)	\$1,400,000	(\$45,522,000)
2015	\$64,000	(\$1,947,425)	\$1,400,000	(\$51,914,000)
2016	\$64,000	(\$1,947,425)	\$1,400,000	(\$51,914,000)
2017	\$64,000	(\$1,947,425)	\$1,400,000	(\$51,914,000)
2018	\$64,000	(\$1,947,425)	\$1,400,000	(\$51,914,000)

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue-Dedicated - University Current Accounts</i>	Probable Revenue (Loss) from <i>Select General Revenue Dedicated (Specialty License Plates)</i>	Probable Revenue Gain from <i>New Other - Trust Fund of the Specialty License Plates</i>
2013	\$0	\$0	\$0
2014	\$0	(\$3,908,000)	\$3,908,000
2015	\$0	(\$2,760,000)	\$2,760,000
2016	(\$680,000)	(\$2,760,000)	\$2,760,000
2017	(\$684,000)	(\$2,760,000)	\$2,760,000
2018	(\$687,000)	(\$2,760,000)	\$2,760,000

The following tables reflect the estimated impact if the effective date of the bill is September 1, 2013.

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>State Parks Acct</i> 64	Probable Revenue Gain from <i>Alter Fuels Research Acct</i> 101
2014	\$936,383	\$47,081,000	\$3,551,000	(\$6,649,000)
2015	\$936,383	\$48,754,000	\$3,551,000	(\$1,930,000)
2016	\$936,383	\$48,754,000	\$3,551,000	(\$1,930,000)
2017	\$936,383	\$48,754,000	\$3,551,000	(\$1,930,000)
2018	\$936,383	\$48,754,000	\$3,551,000	(\$1,930,000)

Fiscal Year	Probable Revenue Gain from <i>Local Parks Account</i> 467	Probable Revenue (Loss) from <i>Solid Waste Disposal Acct</i> 5000	Probable Revenue (Loss) from <i>Volunteer Fire Dept Assistance</i> 5064	Probable (Cost) from <i>System Benefit Account</i> 5100
2014	\$75,000	(\$8,700,000)	(\$16,500,000)	(\$630,000,000)
2015	\$75,000	(\$8,600,000)	(\$16,500,000)	\$0
2016	\$75,000	(\$8,600,000)	(\$16,500,000)	\$0
2017	\$75,000	(\$8,600,000)	(\$16,500,000)	\$0
2018	\$75,000	(\$8,600,000)	(\$16,500,000)	\$0

Fiscal Year	Probable Revenue Gain from <i>Large Cnty & Muni Rec & Parks</i> 5150	Probable Revenue Gain from <i>Oil & Gas Regulation</i> 5155	Probable (Cost) from <i>Oil & Gas Regulation</i> 5155	Probable Revenue Gain/(Loss) from <i>Combined Select General Revenue Dedicated (Interest Reallocation)</i>
2014	\$64,000	\$1,400,000	(\$1,947,425)	(\$45,522,000)
2015	\$64,000	\$1,400,000	(\$1,947,425)	(\$51,914,000)
2016	\$64,000	\$1,400,000	(\$1,947,425)	(\$51,914,000)
2017	\$64,000	\$1,400,000	(\$1,947,425)	(\$51,914,000)
2018	\$64,000	\$1,400,000	(\$1,947,425)	(\$51,914,000)

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue-Dedicated - University Current Accounts</i>	Probable Revenue (Loss) from <i>Select General Revenue Dedicated (Specialty License Plates)</i>	Probable Revenue Gain from <i>New Other - Trust Fund of the Specialty License Plates</i>
2014	\$0	(\$3,908,000)	\$3,908,000
2015	\$0	(\$2,760,000)	\$2,760,000
2016	(\$680,000)	(\$2,760,000)	\$2,760,000
2017	(\$684,000)	(\$2,760,000)	\$2,760,000
2018	(\$687,000)	(\$2,760,000)	\$2,760,000

Fiscal Analysis

Among other provisions, the bill would implement recommendations in the Legislative Budget Board's report, "Options to Reduce Reliance on General-Revenue Dedicated Accounts for Certification of the State Budget" submitted to the Eighty-Third Texas Legislature, 2013.

The bill would require the Legislative Budget Board (LBB) to develop and implement a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds. The bill would require the LBB to incorporate into budget recommendations appropriate measures to reduce reliance on available dedicated revenue for certification and include with the budget recommendations plans for further reducing reliance for the succeeding six years.

The bill would make all interest or other earnings that accrue on revenue held in an account in the General Revenue Fund, any part of which Section 403.095, Texas Government Code, makes available for certification, available for any general governmental purpose. The bill requires the Comptroller of Public Accounts (Comptroller) to deposit the interest and earnings to the credit of the General Revenue Fund. The bill excepts from this provision interest or earnings on certain tuition revenue, or an account that accrues interest or other earnings on deposits of state or federal money the diversion of which is specifically excluded by federal law, including the General

Revenue-Dedicated Lifetime License Endowment Account 540 and Game, Fish, and Water Safety Account 09.

The bill would reduce certain solid waste disposal fees, or "tipping" fees, by approximately one quarter. The bill would prohibit tipping fees from being applied to materials that are processed at composting and mulch processing facilities, except for materials that are utilized in the operation of or are disposed of in a landfill. Current law prohibits tipping fees from being applied to yard waste material composted at a composting facility. The bill would increase the allocation of tipping fee revenue deposited to the General Revenue-Dedicated Waste Management Account 549 from 50 to 66.7 percent, and would expand the purposes for which money in the account may be appropriated to include site remediation. The Texas Commission on Environmental Quality (TCEQ) would be required to issue a biennial report to the Legislature describing how the money from this allocation was spent. The bill would reduce the allocation of tipping fee revenue deposited to the General Revenue-Dedicated Solid Waste Disposal Fees Account 5000 from 50 to 33.3 percent.

The bill would authorize the use of battery sales fee revenue deposited to Hazardous and Solid Waste Remediation Fees Account 550 for environmental remediation at the site of a certain closed battery recycling facility, through September 30, 2014.

The bill would expand the purposes for which money in the General Revenue-Dedicated 9-1-1 Service Fees Account 5050 may be appropriated to include maintaining 9-1-1 service levels during transitions to newer technology, planning and deploying certain emergency network systems, and updating geospatial mapping technologies. The bill would also expand the purposes for which money in Account 5050 may be appropriated to include appropriations to the Texas A&M Forest Service for providing assistance to volunteer fire departments, under certain conditions.

The bill would expand the purposes for which money in the General Revenue-Dedicated Designated Trauma Facility and Emergency Medical Services Account 5111 may be appropriated to include appropriations to the Texas Higher Education Coordinating Board for graduate-level medical education programs or graduate-level nursing education programs.

The bill would require the Comptroller to limit the assessment against certain insurers for rural fire protection to the total amount that the General Appropriations Act appropriates from the Volunteer Fire Department Assistance Account 5064 for that fiscal year.

The bill would provide that certain fees collected for surface casing determination (groundwater protection) letters be deposited to the General Revenue-Dedicated Oil and Gas Regulation and Cleanup (OGRC) Account No. 5155. The bill would expand the purposes for which money in Account 5155 may be appropriated to include certain activities regarding the use of alternative fuels. The bill would abolish the General Revenue-Dedicated Alternative Fuels Research and Education (AFRED) Account 101, and the fund balance would be transferred to the undedicated portion of the General Revenue Fund.

The bill would require the Comptroller to transfer, in addition to the appropriated amounts of sporting goods sales tax (SGST) to be credited to the Texas Parks and Wildlife Department, additional amounts of SGST sufficient to fund certain employee benefits costs.

The bill would require the Comptroller, not later than September 30, 2013, to eliminate all General Revenue-Dedicated accounts established for specialty license plates under Subchapter G, Chapter 504, Texas Transportation Code, and set aside the balances of these accounts for appropriation for their dedicated purpose. The bill would deposit, on or after September 1, 2013, the portion of a

fee payable under Subchapter G deposited to the credit of these accounts to a trust fund created by the Comptroller outside the General Revenue Fund.

The bill would authorize money in the General Revenue-Dedicated System Benefit Account 5100 to be appropriated for the purpose of returning the money to payers of the System Benefit Fund fee assessed under the Utilities Code. The bill would authorize the Public Utility Commission (PUC) to direct the Comptroller to return the unappropriated balance of Account 5100 to retail electric customers. The bill would require PUC, after consultation with the CPA, to establish, by rule, a system for transmission and distribution utilities, retail electric providers, municipally owned utilities, or electric cooperatives to credit retail electric customers' bills in amounts necessary to expend as fully as practicable any portion of Account 5100 appropriated to PUC for that purpose. The bill would require PUC to direct the Comptroller to disburse as much as practicable of the appropriated money as soon as practicable in one or more installments so that entities receive disbursements in proportion to the fees paid by retail electric customers in the service areas of the entities since the System Benefit Fund fee was first imposed.

The bill would require PUC, by rule, to require each entity receiving disbursements to ensure that retail electric customers receive credits that, in aggregate, equal the amount of disbursements received under the provisions of the bill, less a reasonable amount to reimburse the entity for administering the disbursement process as established by PUC in an amount not to exceed two percent of the disbursements. The bill requires PUC and the Comptroller to jointly issue a report regarding the status of developing and implementing the disbursement system and the progress made in disbursing the funds. The bill would appropriate to the Comptroller the balance of Account 5100, in an amount not to exceed \$630 million, for the purpose of returning the money to payers of the System Benefit Fund fee.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to report annually on corrective action status of certain petroleum contaminated sites. The bill would also require TCEQ to investigate the amount of fee revenue that would be necessary to cover the costs necessary to conclude certain programs and activities relating to the remediation of leaking petroleum storage tanks before September 1, 2021.

Effective September 1, 2015, the bill would eliminate the Doctoral Incentive Loan Repayment Set-Asides for Faculty and Administration (Revenue Object Code 3693), revenue from which are currently deposited to several university current accounts.

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, 2013.

Methodology

It is assumed that the costs to the Legislative Budget Board associated with the development and implementation of a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds would not be significant and could be absorbed within existing resources.

According to the Comptroller, the allocation of all interest and earnings on balances and revenues in the General Revenue-Dedicated accounts that are used for certification purposes to General Revenue Fund 0001, with certain accounts excluded, would result in a revenue loss to those General Revenue-Dedicated accounts and a gain to General Revenue Fund 0001 in an amount

estimated by the Comptroller to be approximately \$107.6 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$97.4 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. Combined, the net loss to the General Revenue-Dedicated accounts and the net gain to General Revenue Fund 0001 associated with the reallocation of interest and earnings would offset each other, resulting in no significant impact for certification purposes.

According to the Comptroller, the reduction of rates for and revenue collections from certain solid waste disposal fees, and a change in the allocation of those fees, would result in a loss in revenue to General Revenue-Dedicated Solid Waste Disposal Fees Account 5000 in an amount estimated by the Comptroller to be \$19.4 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$17.3 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. There would be no net effect for revenues allocated to General Revenue-Dedicated Waste Management Account 549. According to TCEQ, expanding the exemption from tipping fees to include materials used for mulch processing could significantly reduce revenue collections, but because certain information related to mulch processing is not reported to TCEQ, the potential fiscal impact cannot be determined.

Current collections from certain insurers for rural fire protection are \$30 million per fiscal year. Assuming future appropriations would continue at the fiscal year 2013 amount of \$13.5 million from General Revenue-Dedicated Volunteer Fire Department Assistance Account 5064, limiting the assessment to the total amount appropriated from Account 5064 would result in a loss of \$16.5 million per fiscal year to that account.

Currently, funds collected for surface casing letters of determination are deposited into General Revenue and then a portion of those funds are appropriated to the Railroad Commission as part of the agency's General Revenue funding. The agency reports collections of \$1.4 million in fiscal year 2012 from the expedited fee for surface casing letters of determination, and a General Revenue appropriation for the purpose of making surface casing determinations of \$0.8 for the same year.

According to the Comptroller of Public Accounts, upon passage of the bill, revenue to the General Revenue Fund would decrease by an estimated \$1.4 million per fiscal year. Assuming fiscal year 2012 appropriation levels for the surface casing program would continue through fiscal year 2018, and assuming that amounts associated with employee benefits for surface casing FTEs currently paid out of General Revenue (estimated to be \$161,643) would shift to the OGRC Account No. 5155 upon passage of the bill, it is estimated that costs out of the General Revenue Fund would decrease by \$0.9 million per fiscal year. Likewise, revenues to the Oil and Gas Regulation and Cleanup Account No. 5155 would increase by \$1.4 million, while costs to the account would increase by \$0.9 million per fiscal year.

Abolishing the AFRED Account 101 would result in a one-time gain of \$4.7 million to the General Revenue Fund based on the estimated balance in the account on August 31, 2013 per the Comptroller's Biennial Revenue Estimate. The annual cost of the program, including appropriations and benefits of \$1.0 million currently paid out of AFRED Account 101, would shift to the OGRC Account 5155. Because the bill would transfer revenue that is currently deposited to the AFRED Account 101 instead to the General Revenue Fund, the AFRED Account 101 would experience a loss of an estimated \$2.0 per fiscal year, while the General Revenue Fund would experience a gain in the same amount.

The Comptroller's estimates were based on general revenue-dedicated accounts utilized by the TPWD that are currently appropriated SGST and only reflect employee benefits associated with the SGST portion of the accounts. In future fiscal years, benefits paid from the SGST proceeds, as appropriated, may involve additional transfers to the General Revenue-Dedicated Texas Parks

and Wildlife Conservation and Capital Account No. 5004. As TPWD received no appropriations of SGST proceeds to transfer to this account in the 2012-13 biennium, any projected amounts are not included here.

The Comptroller reports that the following General Revenue-Dedicated accounts would be abolished and their revenue and balances would be moved to the trust fund: Texas Collegiate License Plates 5015; Read to Succeed Plates 5027; Big Bend National Park Plates 5030; Houston Livestock Show/Rodeo Scholarship Plates 5034; Attorney General Volunteer Advocate Program Plates 5036; Texas Reads Plates 5042; Girl Scout License Plates 5052; Tourism Plates 5053; Texas Special Olympics 5055; Texas A&M Kingsville Graduate Assistance Plates 5056; Waterfowl/Wetland Conservation Plates 5057; I Love Texas Plates 5086; Economic Development and Tourism 5110; Texas Music Foundation Plates 5113; Daughters of Republic of Texas Plates 5115; Texas Lions Camp Plates 5116; March of Dimes Plates 5117; Knights of Columbus Plates 5118; Cotton Boll Plates 5119; Marine Mammal Recovery Plates 5120; Share the Road Plates 5121; El Paso Mission Restoration 5122; Air Force Association of Texas Plates 5123; Boy Scout Plates 5126 Texas State Rifle Association Plates 5130; Master Gardener Plates 5131; Texas 4-H Plates 5132; Urban Forestry Plates 5133; Specialty License Plates General 5140; American Legion Plates 5141; and Marine Conservation Plates 5142. According to the Comptroller, certain specialty license plate revenue deposited to other General Revenue-Dedicated accounts not included in list above would also be moved to the trust fund.

The abolishment of certain General Revenue-Dedicated specialty license plate accounts and the establishment of a trust outside of the General Revenue Fund for the deposit of the balances and revenue of the former accounts would result in a revenue loss to those General Revenue-Dedicated specialty plate accounts and a gain to the Trust Fund for Specialty License Plates, an Other Fund, in an amount estimated by the Comptroller to be \$6.7 million through the biennium ending August 31. Moving balances from these General Revenue-Dedicated accounts to Other Funds outside of General Revenue would result in a negative impact on amounts available for certification.

The Comptroller assumes that some time will be necessary to put a system in place, as required by the bill's provisions, by which \$630 million of the System Benefit Fund could be disbursed. As a result, all disbursements are assumed to occur in fiscal year 2014. Based on information provided by PUC and the Comptroller, duties and responsibilities associated with implementing the provisions of the bill could be accomplished utilizing existing resources.

According to TCEQ, the evaluation of the petroleum product delivery fee to determine the amount necessary to conclude the program and activities is not expected to have significant fiscal implications.

The Comptroller reports that the elimination of the Doctoral Incentive Loan Repayment Set-Asides for Faculty and Administration would result in a loss of revenue of approximately \$680,000 per year beginning in fiscal year 2016.

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 significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission, 473 Public Utility Commission of Texas, 582 Commission on Environmental Quality, 781 Higher Education Coordinating Board

LBB Staff: UP, KK, JI, JJ

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 19, 2013

TO: Honorable Tommy Williams, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB7 by Darby (relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments; imposing certain court costs.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB7, Committee Report 2st House, Substituted: a negative impact of \$9,461,960 through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013; or a negative impact of \$8,306,056 through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. Provisions of the bill that reduce General Revenue-Dedicated account balances would result in a negative impact on amounts available for certification.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The following tables reflect the estimated impact if the effective date of the bill is June 1, 2013.

All Funds, Six-Year Impact:

Fiscal Year	Probable Savings from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>State Parks Acct</i> 64	Probable Revenue Gain from <i>Local Parks Account</i> 467
2013	\$234,096	(\$1,390,000)	\$888,000	\$19,000
2014	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2015	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2016	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2017	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2018	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924

Fiscal Year	Probable (Cost) from <i>Waste Management Acct 549</i>	Probable Revenue (Loss) from <i>Solid Waste Disposal Acct 5000</i>	Probable Revenue (Loss) from <i>Volunteer Fire Dept Assistance 5064</i>	Probable (Cost) from <i>System Benefit Account 5100</i>
2013	\$0	(\$2,127,000)	(\$7,500,000)	\$0
2014	(\$341,153)	(\$8,700,000)	(\$16,500,000)	(\$811,283,000)
2015	(\$320,153)	(\$8,600,000)	(\$16,500,000)	\$0
2016	(\$320,153)	(\$8,600,000)	(\$16,500,000)	\$0
2017	(\$320,153)	(\$8,600,000)	(\$16,500,000)	\$0
2018	(\$320,153)	(\$8,600,000)	(\$16,500,000)	\$0

Fiscal Year	Probable Revenue Gain from <i>Large Cnty & Muni Rec & Parks 5150</i>	Probable (Cost) from <i>Oil & Gas Regulation 5155</i>	Probable Revenue Gain from <i>Oil & Gas Regulation 5155</i>	Probable Revenue (Loss) from <i>Select General Revenue Dedicated (Specialty License Plates)</i>
2013	\$16,000	(\$234,096)	\$467,000	\$0
2014	\$64,171	(\$936,383)	\$1,400,000	(\$3,908,000)
2015	\$64,171	(\$936,383)	\$1,400,000	(\$2,760,000)
2016	\$64,171	(\$936,383)	\$1,400,000	(\$2,760,000)
2017	\$64,171	(\$936,383)	\$1,400,000	(\$2,760,000)
2018	\$64,171	(\$936,383)	\$1,400,000	(\$2,760,000)

Fiscal Year	Probable Revenue Gain from <i>New Other - Trust Fund of the Specialty License Plates</i>	Change in Number of State Employees from FY 2012
2013	\$0	0.0
2014	\$3,908,000	5.0
2015	\$2,760,000	5.0
2016	\$2,760,000	5.0
2017	\$2,760,000	5.0
2018	\$2,760,000	5.0

The following tables reflect the estimated impact if the effective date of the bill is September 1, 2013.

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund 1</i>	Probable Savings from <i>General Revenue Fund 1</i>	Probable Revenue Gain from <i>State Parks Acct 64</i>	Probable Revenue Gain from <i>Local Parks Account 467</i>
2014	(\$5,089,411)	\$936,383	\$3,550,316	\$74,924
2015	(\$5,089,411)	\$936,383	\$3,550,316	\$74,924
2016	(\$5,089,411)	\$936,383	\$3,550,316	\$74,924
2017	(\$5,089,411)	\$936,383	\$3,550,316	\$74,924
2018	(\$5,089,411)	\$936,383	\$3,550,316	\$74,924

Fiscal Year	Probable (Cost) from Waste Management Acct 549	Probable Revenue (Loss) from Solid Waste Disposal Acct 5000	Probable Revenue (Loss) from Volunteer Fire Dept Assistance 5064	Probable (Cost) from System Benefit Account 5100
2014	(\$341,153)	(\$8,700,000)	(\$16,500,000)	(\$811,283,000)
2015	(\$341,153)	(\$8,600,000)	(\$16,500,000)	\$0
2016	(\$341,153)	(\$8,600,000)	(\$16,500,000)	\$0
2017	(\$341,153)	(\$8,600,000)	(\$16,500,000)	\$0
2018	(\$341,153)	(\$8,600,000)	(\$16,500,000)	\$0

Fiscal Year	Probable Revenue Gain from Large Cnty & Muni Rec & Parks 5150	Probable Revenue Gain from Oil & Gas Regulation 5155	Probable (Cost) from Oil & Gas Regulation 5155	Probable Revenue (Loss) from Select General Revenue Dedicated (Specialty License Plates)
2014	\$64,171	\$1,400,000	(\$936,383)	(\$3,908,000)
2015	\$64,171	\$1,400,000	(\$936,383)	(\$2,760,000)
2016	\$64,171	\$1,400,000	(\$936,383)	(\$2,760,000)
2017	\$64,171	\$1,400,000	(\$936,383)	(\$2,760,000)
2018	\$64,171	\$1,400,000	(\$936,383)	(\$2,760,000)

Fiscal Year	Probable Revenue Gain from New Other - Trust Fund of the Specialty License Plates	Change in Number of State Employees from FY 2013
2014	\$3,908,000	5.0
2015	\$2,760,000	5.0
2016	\$2,760,000	5.0
2017	\$2,760,000	5.0
2018	\$2,760,000	5.0

Fiscal Analysis

Among other provisions, the bill would implement recommendations in the Legislative Budget Board's report, "Options to Reduce Reliance on General-Revenue Dedicated Accounts for Certification of the State Budget" submitted to the Eighty-Third Texas Legislature, 2013.

The bill would require the Legislative Budget Board (LBB) to develop and implement a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds. The bill would require the LBB to incorporate into budget recommendations appropriate measures to reduce reliance on available dedicated revenue for certification and include with the budget recommendations plans for further reducing reliance for the succeeding six years.

The bill would make all interest or other earnings that accrue on revenue held in an account in the General Revenue Fund, any part of which Section 403.095, Texas Government Code, makes available for certification, available for any general governmental purpose. The bill requires the Comptroller of Public Accounts (Comptroller) to deposit the interest and earnings to the credit of the General Revenue Fund. The bill excepts from this provision interest or earnings on certain tuition revenue, or an account that accrues interest or other earnings on deposits of state or federal money the diversion of which is specifically excluded by federal law.

The bill would reduce certain solid waste disposal fees, or "tipping" fees, by approximately one quarter. The bill would prohibit tipping fees from being applied to materials that are processed at composting and mulch processing facilities, except for materials that are utilized in the operation of or are disposed of in a landfill. Current law prohibits tipping fees from being applied to yard waste material composted at a composting facility. The bill would increase the allocation of tipping fee revenue deposited to the General Revenue-Dedicated Waste Management Account 549 from 50 to 66.7 percent, and would expand the purposes for which money in the account may be appropriated to include site remediation. The Texas Commission on Environmental Quality (TCEQ) would be required to issue a biennial report to the Legislature describing how the money from this allocation was spent. The bill would require activities to enhance the state's solid waste management programs to include certain activities. The bill would reduce the allocation of tipping fee revenue deposited to the General Revenue-Dedicated Solid Waste Disposal Fees Account 5000 from 50 to 33.3 percent.

The bill would authorize the use of battery sales fee revenue deposited to Hazardous and Solid Waste Remediation Fees Account 550 for environmental remediation at the site of a certain closed battery recycling facility, through September 30, 2014.

The bill would expand the purposes for which money in the General Revenue-Dedicated 9-1-1 Service Fees Account 5050 may be appropriated to include maintaining 9-1-1 service levels during transitions to newer technology, planning and deploying certain emergency network systems, and updating geospatial mapping technologies. The bill would also expand the purposes for which money in Account 5050 may be appropriated to include appropriations to the Texas A&M Forest Service for providing assistance to volunteer fire departments, under certain conditions.

The bill would expand the purposes for which money in the General Revenue-Dedicated Designated Trauma Facility and Emergency Medical Services Account 5111 may be appropriated to include appropriations to the Texas Higher Education Coordinating Board for graduate-level medical education programs or graduate-level nursing education programs.

The bill would require the Comptroller to limit the assessment against certain insurers for rural fire protection to the total amount that the General Appropriations Act appropriates from the Volunteer Fire Department Assistance Account 5064 for that fiscal year.

The bill would provide that certain fees collected for surface casing determination (groundwater protection) letters be deposited to the General Revenue-Dedicated Oil and Gas Regulation and Cleanup (OGRC) Account No. 5155. The bill would expand the purposes for which money in Account 5155 may be appropriated to include certain activities regarding the use of alternative fuels.

The bill would require the Comptroller to transfer, in addition to the appropriated amounts of sporting goods sales tax (SGST) to be credited to the Texas Parks and Wildlife Department, additional amounts of SGST sufficient to fund certain employee benefits costs. The bill would require the Comptroller, not later than September 30, 2013, to eliminate all General Revenue-Dedicated accounts established for specialty license plates under Subchapter G, Chapter 504, Texas Transportation Code, and set aside the balances of these accounts for appropriation for their dedicated purpose. The bill would deposit, on or after September 1, 2013, the portion of a fee payable under Subchapter G deposited to the credit of these accounts to a trust fund created by the Comptroller outside the General Revenue Fund.

The bill would authorize money in the General Revenue-Dedicated System Benefit Account 5100 to be appropriated for the purpose of returning the money to payers of the System Benefit Fund

fee assessed under the Utilities Code. The bill would authorize the Public Utility Commission (PUC) to direct the Comptroller to return the unappropriated balance of Account 5100 to retail electric customers. The bill would require PUC, after consultation with the CPA, to establish, by rule, a system for transmission and distribution utilities, retail electric providers, municipally owned utilities, or electric cooperatives to credit retail electric customers' bills in amounts necessary to expend as fully as practicable any portion of Account 5100 appropriated to PUC for that purpose. The bill would require PUC to direct the Comptroller to disburse as much as practicable of the appropriated money as soon as practicable in one or more installments so that entities receive disbursements in proportion to the fees paid by retail electric customers in the service areas of the entities since the System Benefit Fund fee was first imposed.

The bill would require PUC, by rule, to require each entity receiving disbursements to ensure that retail electric customers receive credits that, in aggregate, equal the amount of disbursements received under the provisions of the bill, less a reasonable amount to reimburse the entity for administering the disbursement process as established by PUC in an amount not to exceed two percent of the disbursements. The bill requires PUC and the Comptroller to jointly issue a report regarding the status of developing and implementing the disbursement system and the progress made in disbursing the funds. The bill would appropriate to the Comptroller the balance of Account 5100 for the purpose of returning the money to payers of the System Benefit Fund fee.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to report annually on corrective action status of certain petroleum contaminated sites. The bill would also require TCEQ to investigate the amount of fee revenue that would be necessary to cover the costs necessary to conclude certain programs and activities relating to the remediation of leaking petroleum storage tanks before September 1, 2021.

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, 2013.

Methodology

It is assumed that the costs to the Legislative Budget Board associated with the development and implementation of a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds would not be significant and could be absorbed within existing resources.

According to the Comptroller, provisions of the bill relating to the allocation of interest and earnings on balances and revenues in General Revenue-Dedicated accounts would have no revenue implications, since the exemption language appears to allow all General Revenue accounts to retain their interest earnings.

According to the Comptroller, the reduction of rates for and revenue collections from certain solid waste disposal fees, and a change in the allocation of those fees, would result in a loss in revenue to General Revenue-Dedicated Solid Waste Disposal Fees Account 5000 in an amount estimated by the Comptroller to be \$19.4 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$17.3 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. There would be no net effect for revenues allocated to General Revenue-Dedicated Waste Management Account 549. According to TCEQ, expanding the exemption from tipping fees to include materials used for mulch processing could significantly reduce revenue collections, but because certain information related

to mulch processing is not reported to TCEQ, the potential fiscal impact cannot be determined.

According to TCEQ, the bill would require the agency to implement certain solid waste management activities authorized in current law, such as funding demonstration projects conducting market research, and creating a state municipal solid waste superfund program. Current law does not require the agency to implement these activities. Implementation of a municipal solid waste superfund program would require a significant but indeterminate increase in agency appropriations. According to TCEQ, these activities were first enacted in 1990, and many of them were implemented by TCEQ's predecessor agency at the time. Since that time, recycling in Texas has matured and local jurisdictions are implementing solid waste grant programs. TCEQ reports that implementation of this provision would require 5 FTEs to manage funds provided to other state agencies, handle reporting requirements, and conduct research to promote development of recycled waste product markets. FTEs would be funded out of General Revenue-Dedicated Solid Waste Management account 549. Salary, benefits, and indirect costs for implementation of this provision are estimated to be \$341,153 in fiscal year 2014, and \$320,153 in each subsequent fiscal year.

Current collections from certain insurers for rural fire protection are \$30 million per fiscal year. Assuming future appropriations would continue at the fiscal year 2013 amount of \$13.5 million from General Revenue-Dedicated Volunteer Fire Department Assistance Account 5064, limiting the assessment to the total amount appropriated from Account 5064 would result in a loss of \$16.5 million per fiscal year to that account.

Currently, funds collected for surface casing letters of determination are deposited into General Revenue and then a portion of those funds are appropriated to the Railroad Commission as part of the agency's General Revenue funding. The agency reports collections of \$1.4 million in fiscal year 2012 from the expedited fee for surface casing letters of determination, and a General Revenue appropriation for the purpose of making surface casing determinations of \$0.8 for the same year. According to the Comptroller of Public Accounts, upon passage of the bill, revenue to the General Revenue Fund would decrease by an estimated \$1.4 million per fiscal year. Assuming fiscal year 2012 appropriation levels for the surface casing program would continue through fiscal year 2018, and assuming that amounts associated with employee benefits for surface casing FTEs currently paid out of General Revenue (estimated to be \$161,643) would shift to the OGRC Account No. 5155 upon passage of the bill, it is estimated that costs out of the General Revenue Fund would decrease by \$0.9 million per fiscal year. Likewise, revenues to the Oil and Gas Regulation and Cleanup Account No. 5155 would increase by \$1.4 million, while costs to the account would increase by \$0.9 million per fiscal year.

The Comptroller's estimates were based on general revenue-dedicated accounts utilized by the TPWD that are currently appropriated SGST and only reflect employee benefits associated with the SGST portion of the accounts. In future fiscal years, benefits paid from the SGST proceeds, as appropriated, may involve additional transfers to the General Revenue-Dedicated Texas Parks and Wildlife Conservation and Capital Account No. 5004. As TPWD received no appropriations of SGST proceeds to transfer to this account in the 2012-13 biennium, any projected amounts are not included here.

The Comptroller reports that the following General Revenue-Dedicated accounts would be abolished and their revenue and balances would be moved to the trust fund: Texas Collegiate License Plates 5015; Read to Succeed Plates 5027; Big Bend National Park Plates 5030; Houston Livestock Show/Rodeo Scholarship Plates 5034; Attorney General Volunteer Advocate Program Plates 5036; Texas Reads Plates 5042; Girl Scout License Plates 5052; Tourism Plates 5053; Texas Special Olympics 5055; Texas A&M Kingsville Graduate Assistance Plates 5056; Waterfowl/Wetland Conservation Plates 5057; I Love Texas Plates 5086; Economic Development

and Tourism 5110; Texas Music Foundation Plates 5113; Daughters of Republic of Texas Plates 5115; Texas Lions Camp Plates 5116; March of Dimes Plates 5117; Knights of Columbus Plates 5118; Cotton Boll Plates 5119; Marine Mammal Recovery Plates 5120; Share the Road Plates 5121; El Paso Mission Restoration 5122; Air Force Association of Texas Plates 5123; Boy Scout Plates 5126 Texas State Rifle Association Plates 5130; Master Gardener Plates 5131; Texas 4-H Plates 5132; Urban Forestry Plates 5133; Specialty License Plates General 5140; American Legion Plates 5141; and Marine Conservation Plates 5142. According to the Comptroller, certain specialty license plate revenue deposited to other General Revenue-Dedicated accounts not included in list above would also be moved to the trust fund.

The abolishment of certain General Revenue-Dedicated specialty license plate accounts and the establishment of a trust outside of the General Revenue Fund for the deposit of the balances and revenue of the former accounts would result in a revenue loss to those General Revenue-Dedicated specialty plate accounts and a gain to the Trust Fund for Specialty License Plates, an Other Fund, in an amount estimated by the Comptroller to be \$6.7 million through the biennium ending August 31. Moving balances from these General Revenue-Dedicated accounts to Other Funds outside of General Revenue would result in a negative impact on amounts available for certification.

The Comptroller assumes that, although the amount of future appropriation is unknown, revenue deposited in General Revenue-Dedicated System Benefit Account 5100 over the upcoming biennium will match the appropriations such that the amount appropriated to the Comptroller for credit to utilities will be identical to the estimated balance of Account 5100 as of August 31, 2013, in the amount of \$811.3 million.

Based on information provided by PUC and the Comptroller, duties and responsibilities associated with implementing the provisions of the bill could be accomplished utilizing existing resources. According to TCEQ, the evaluation of the petroleum product delivery fee to determine the amount necessary to conclude the program and activities is not expected to have significant fiscal implications.

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 significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 455 Railroad Commission, 473 Public Utility Commission of Texas

LBB Staff: UP, KK, JI, JJ

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

TO: Honorable Tommy Williams, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB7 by Darby (Relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments; imposing certain court costs.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB7, Committee Report 1st House, Substituted: a negative impact of \$9,461,960 through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013; or a negative impact of \$8,306,056 through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. Provisions of the bill that reduce General Revenue-Dedicated account balances would result in a negative impact on amounts available for certification.

The change to the spending limit calculation proposed by the bill would likely reduce the allowable growth rate in appropriations for subsequent biennia.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The following tables reflect the estimated impact if the effective date of the bill is June 1, 2013.

All Funds, Six-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>State Parks Acct</i> 64	Probable Revenue Gain from <i>Local Parks Account</i> 467
2013	\$234,096	(\$1,390,000)	\$888,000	\$19,000
2014	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2015	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2016	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2017	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2018	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924

Fiscal Year	Probable (Cost) from Waste Management Acct 549	Probable Revenue (Loss) from Solid Waste Disposal Acct 5000	Probable Revenue (Loss) from Volunteer Fire Dept Assistance 5064	Probable Revenue (Loss) from Texas Emissions Reduction Plan 5071
2013	\$0	(\$2,127,000)	(\$7,500,000)	(\$22,263,000)
2014	(\$341,153)	(\$8,700,000)	(\$16,500,000)	(\$91,102,000)
2015	(\$341,153)	(\$8,600,000)	(\$16,500,000)	(\$93,317,000)
2016	(\$320,153)	(\$8,600,000)	(\$16,500,000)	(\$118,222,000)
2017	(\$320,153)	(\$8,600,000)	(\$16,500,000)	(\$120,585,000)
2018	(\$320,153)	(\$8,600,000)	(\$16,500,000)	(\$122,968,000)

Fiscal Year	Probable (Cost) from System Benefit Account 5100	Probable Revenue (Loss) from System Benefit Account 5100	Probable Revenue Gain from Large Cnty & Muni Rec & Parks 5150	Probable (Cost) from Oil & Gas Regulation 5155
2013	\$0	\$0	\$16,000	(\$234,096)
2014	(\$50,000,000)	(\$82,269,000)	\$64,171	(\$936,383)
2015	(\$53,122,056)	(\$142,380,000)	\$64,171	(\$936,383)
2016	(\$53,080,087)	(\$143,621,000)	\$64,171	(\$936,383)
2017	(\$53,037,687)	(\$143,637,000)	\$64,171	(\$936,383)
2018	(\$53,037,687)	(\$143,651,000)	\$64,171	(\$936,383)

Fiscal Year	Probable Revenue Gain from Oil & Gas Regulation 5155	Probable (Cost) from New General Revenue Dedicated - Driving While Intoxicated Prevention	Probable Revenue Gain from New General Revenue Dedicated - Driving While Intoxicated Prevention	Probable Revenue (Loss) from Select General Revenue Dedicated (Specialty Plates)
2013	\$467,000	\$0	\$0	(\$1,847,000)
2014	\$1,400,000	(\$300,000)	\$300,000	(\$2,743,000)
2015	\$1,400,000	(\$360,000)	\$360,000	(\$2,760,000)
2016	\$1,400,000	(\$360,000)	\$360,000	(\$2,760,000)
2017	\$1,400,000	(\$360,000)	\$360,000	(\$2,760,000)
2018	\$1,400,000	(\$360,000)	\$360,000	(\$2,760,000)

Fiscal Year	Probable Savings from State Highway Fund 6	Probable Revenue Gain from New Other - Low- income Electric Customers Program Fund	Probable Revenue Gain from New Other - Trust Fund of the Specialty License Plates	Change in Number of State Employees from FY 2013
2013	\$22,263,000	\$0	\$1,847,000	0.0
2014	\$91,102,000	\$65,293,000	\$2,743,000	5.0
2015	\$93,317,000	\$112,980,000	\$2,760,000	5.0
2016	\$118,222,000	\$113,794,000	\$2,760,000	5.0
2017	\$120,585,000	\$114,040,000	\$2,760,000	5.0
2018	\$122,968,000	\$114,371,000	\$2,760,000	5.0

The following tables reflect the estimated impact if the effective date of the bill is September 1, 2013.

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain from State Parks Acct 64	Probable Revenue Gain from Local Parks Account 467
2014	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2015	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2016	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2017	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924
2018	\$936,383	(\$5,089,411)	\$3,550,316	\$74,924

Fiscal Year	Probable (Cost) from Waste Management Acct 549	Probable Revenue (Loss) from Solid Waste Disposal Acct 5000	Probable Revenue (Loss) from Volunteer Fire Dept Assistance 5064	Probable Revenue (Loss) from Texas Emissions Reduction Plan 5071
2014	(\$341,153)	(\$8,700,000)	(\$16,500,000)	(\$91,102,000)
2015	(\$320,153)	(\$8,600,000)	(\$16,500,000)	(\$93,317,000)
2016	(\$320,153)	(\$8,600,000)	(\$16,500,000)	(\$118,222,000)
2017	(\$320,153)	(\$8,600,000)	(\$16,500,000)	(\$120,585,000)
2018	(\$320,153)	(\$8,600,000)	(\$16,500,000)	(\$122,968,000)

Fiscal Year	Probable (Cost) from System Benefit Account 5100	Probable Revenue (Loss) from System Benefit Account 5100	Probable Revenue Gain from Large Cnty & Muni Rec & Parks 5150	Probable (Cost) from Oil & Gas Regulation 5155
2014	(\$50,000,000)	(\$82,269,000)	\$64,171	(\$936,383)
2015	(\$53,122,056)	(\$142,380,000)	\$64,171	(\$936,383)
2016	(\$53,080,087)	(\$143,621,000)	\$64,171	(\$936,383)
2017	(\$53,037,687)	(\$143,637,000)	\$64,171	(\$936,383)
2018	(\$53,037,687)	(\$143,651,000)	\$64,171	(\$936,383)

Fiscal Year	Probable Revenue Gain from Oil & Gas Regulation 5155	Probable (Cost) from New General Revenue Dedicated - Driving While Intoxicated Prevention	Probable Revenue Gain from New General Revenue Dedicated - Driving While Intoxicated Prevention	Probable Revenue (Loss) from Select General Revenue Dedicated (Specialty Plates)
2014	\$1,400,000	(\$300,000)	\$300,000	(\$3,908,000)
2015	\$1,400,000	(\$360,000)	\$360,000	(\$2,760,000)
2016	\$1,400,000	(\$360,000)	\$360,000	(\$2,760,000)
2017	\$1,400,000	(\$360,000)	\$360,000	(\$2,760,000)
2018	\$1,400,000	(\$360,000)	\$360,000	(\$2,760,000)

Fiscal Year	Probable Savings from State Highway Fund 6	Probable Revenue Gain from New Other - Low- income Electric Customers Program Fund	Probable Revenue Gain from New Other - Trust Fund of the Specialty License Plates	Change in Number of State Employees from FY 2013
2014	\$91,102,000	\$65,293,000	\$3,908,000	5.0
2015	\$93,317,000	\$112,980,000	\$2,760,000	5.0
2016	\$118,222,000	\$113,794,000	\$2,760,000	5.0
2017	\$120,585,000	\$114,040,000	\$2,760,000	5.0
2018	\$122,968,000	\$114,371,000	\$2,760,000	5.0

Fiscal Analysis

Among other provisions, the bill would implement recommendations in the Legislative Budget Board's report, "Options to Reduce Reliance on General-Revenue Dedicated Accounts for Certification of the State Budget" submitted to the Eighty-Third Texas Legislature, 2013.

The bill would create a new court cost of \$10 to be paid upon conviction of an offense relating to the operation of a motor vehicle while intoxicated. The new court cost would go to the State for deposit in a General Revenue-Dedicated account to the credit of the Office of the Governor to be used and may be appropriated only for the support of programs for the prevention of offenses relating to the operating of a motor vehicle while intoxicated.

The bill would require the Legislative Budget Board (LBB) to develop and implement a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds. The bill would require the LBB to incorporate into budget recommendations appropriate measures to reduce reliance on available dedicated revenue for certification and include with the budget recommendations plans for further reducing reliance for the succeeding six years.

The bill would limit the growth of appropriations in a biennium from state tax revenues not dedicated by the constitution, as required by Government Code, Section 316.001 to the lesser of 1) the Comptroller's revenue estimate required by Government Code, Section 403.121, 2) the estimated rate of growth of the state's economy pursuant to Government Code, Section 316.002, or 3) a rate equal to the sum of the estimated biennial rate of growth of the state's population and the estimated biennial rate of monetary inflation in the state. This restriction on the growth of certain appropriations is commonly referred to as the spending limit.

The Legislative Budget Board (LBB) would be required to determine the estimated biennial rate of growth in the state's population based on the average rate of growth during the preceding six years according to United States Census Bureau estimates as certified by the Comptroller. The LBB would be required to determine the estimated biennial rate of monetary inflation in the state based on the average rate of change during the previous six years of the effective consumer price index for the state. The effective consumer price index for the state would be the average of the consumer price indexes (CPI) as determined by the United States Department of Labor for the Corpus Christi and Dallas/Fort Worth metropolitan areas. Note, the Bureau of Labor Statistics, a division of the United States Department of Labor, does not publish CPI for the Corpus Christi metropolitan area. Also, the Bureau of Labor Statistics reports economic data, but does not forecast economic data. Therefore, it can't be used to estimate population or inflation in the year preceding the biennium which would be restricted by the growth rate.

The bill would make all interest or other earnings that accrue on revenue held in an account in the General Revenue Fund, any part of which Section 403.095, Texas Government Code, makes

available for certification, available for any general governmental purpose. The bill requires the Comptroller of Public Accounts (Comptroller) to deposit the interest and earnings to the credit of the General Revenue Fund. The bill excepts from this provision interest or earnings on certain tuition revenue, or an account that accrues interest or other earnings on deposits of state or federal money the diversion of which is specifically excluded by state or federal law.

The bill would reduce certain solid waste disposal fees, or "tipping" fees, by approximately one quarter. The bill would prohibit tipping fees from being applied to materials that are processed at composting and mulch processing facilities, except for materials that are utilized in the operation of or are disposed of in a landfill. Current law prohibits tipping fees from being applied to yard waste material composted at a composting facility. The bill would increase the allocation of tipping fee revenue deposited to the General Revenue-Dedicated Waste Management Account 549 from 50 to 66.7 percent, and would expand the purposes for which money in the account may be appropriated to include site remediation. The Texas Commission on Environmental Quality (TCEQ) would be required to issue a biennial report to the Legislature describing how the money from this allocation was spent. The bill would require activities to enhance the state's solid waste management programs to include certain activities. The bill would reduce the allocation of tipping fee revenue deposited to the General Revenue-Dedicated Solid Waste Disposal Fees Account 5000 from 50 to 33.3 percent.

The bill would authorize the use of battery sales fee revenue deposited to Hazardous and Solid Waste Remediation Fees Account 550 for environmental remediation at the site of a certain closed battery recycling facility, through September 30, 2014.

The bill would expand the purposes for which money in the General Revenue-Dedicated 9-1-1 Service Fees Account 5050 may be appropriated to include maintaining 9-1-1 service levels during transitions to newer technology, planning and deploying certain emergency network systems, and updating geospatial mapping technologies. The bill would also expand the purposes for which money in Account 5050 may be appropriated to include appropriations to the Texas A&M Forest Service for providing assistance to volunteer fire departments, under certain conditions.

The bill would expand the purposes for which money in the General Revenue-Dedicated Designated Trauma Facility and Emergency Medical Services Account 5111 may be appropriated to include appropriations to the Texas Higher Education Coordinating Board for graduate-level medical education programs or graduate-level nursing education programs.

The bill would require the Comptroller to limit the assessment against certain insurers for rural fire protection to the total amount that the General Appropriations Act appropriates from the Volunteer Fire Department Assistance Account 5064 for that fiscal year.

The bill would provide that certain fees collected for surface casing determination (groundwater protection) letters be deposited to the General Revenue-Dedicated Oil and Gas Regulation and Cleanup (OGRC) Account No. 5155.

The bill would require the Comptroller to transfer, in addition to the appropriated amounts of sporting goods sales tax (SGST) to be credited to the Texas Parks and Wildlife Department, additional amounts of SGST sufficient to fund certain employee benefits costs.

The bill would require the Comptroller to monitor transfers to and from the General Revenue-Dedicated Emissions Reduction Plan Account 5071. The bill would make the transfer of State Highway Fund 0006 to the Comptroller for deposit to the Emissions Reduction Plan Account 5071, within certain limits, contingent on determinations by the Comptroller relating to amounts

appropriated from Emissions Reduction Plan Account 5071 or on imposition of certain fee required by federal law. Specifically, the bill requires the Texas Department of Motor Vehicles (DMV) to remit non-constitutional State Highway Fund 0006 to the Comptroller for deposit to the Emissions Reduction Plan Account 5071 in an amount of money, not to exceed (rather than equal to) the amount of certificate of title fees deposited to the credit of the Texas Mobility Fund 0365, that the Comptroller determines is necessary to meet amounts appropriated from Emissions Reduction Plan Account 5071 or, after consultation with the Texas Commission on Environmental Quality (TCEQ), if a fee is imposed on stationary sources in certain counties as provided by 42 U.S.C. Section 7511d, an amount of money not to exceed the amount of the total of the fees that are attributable to certificate of title fees collected in certain nonattainment counties.

The bill would authorize the Texas Transportation Commission to designate for congestion mitigation projects or for deposit to the Texas Rail Relocation and Improvement Fund 0306 eligible amounts retained in the State Highway Fund 0006 because the amounts were not required to be remitted as authorized above, on the condition that TCEQ finds, after a public hearing, that the use of the funds for those purposes will be at least as effective as other eligible uses of those funds under the Texas Emissions Reduction Plan in maintaining or attaining compliance with the federal Clean Air Act. The bill would require those amounts to be deposited to Emissions Reduction Plan Account 5071 if that condition was not met.

The bill would require the Comptroller, not later than September 30, 2013, to eliminate all General Revenue-Dedicated accounts established for specialty license plates under Subchapter G, Chapter 504, Texas Transportation Code, and set aside the balances of these accounts for appropriation for their dedicated purpose. The bill would deposit, on or after September 1, 2013, the portion of a fee payable under Subchapter G deposited to the credit of these accounts to a trust fund created by the Comptroller outside the General Revenue Fund.

The bill would amend the Utilities Code to reduce the amount of nonbypassable fee that finances the General Revenue-Dedicated--System Benefit Account No. 5100 (System Benefit Fund) from a maximum of 65 cents per megawatt hour to two cents per megawatt hour. The bill would also require the Public Utility Commission (PUC) to adopt rules providing for reimbursements from appropriated system benefit fund money for uses authorized for funding. The bill would amend the list of items for which system benefit fund money may be appropriated.

The bill would establish a Low-Income Electric Customers Program Fund as a trust fund outside the treasury. The PUC would prescribe the maximum percentage of money available in the fund that may be used for expenses of administering the fund and for an annual independent audit and other expenditures. The bill would require the PUC to impose a nonbypassable Low-Income Electric Customers Program Fund fee to be set by the commission in an amount not to exceed 50 cents per megawatt hour. The bill would abolish the Low-Income Electric Customers Program Fund Fee after August 31, 2023. The bill would require the money in the Low-Income Electric Customers Program Fund to be spent on reduced electric rates for low-income customers and bill payment assistance for critical care residential customers as defined by the bill.

The bill would authorize the Legislature to appropriate from the System Benefit Fund not more than \$100 million each biennium to fund weatherization and other energy efficiency programs. The bill would require the programs to be operated by a statewide network of federal weatherization program providers under federal weatherization guidelines. Any money appropriated for this purpose would be required to be transferred to the Low-Income Electric Customers Fund for disbursement. The bill would authorize the Legislature to appropriate money from the System Benefit Fund to ensure sufficient funding to pay for rate reductions, based on projections from the PUC submitted to the Legislative Budget Board.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to report annually on corrective action status of certain petroleum contaminated sites. The bill would also require TCEQ to investigate the amount of fee revenue that would be necessary to cover the costs necessary to conclude certain programs and activities relating to the remediation of leaking petroleum storage tanks before September 1, 2021.

The bill would require the Comptroller to compute the amount by which total insurance premium taxes collected in the state fiscal biennium beginning September 1, 2013, exceed the amount of collections estimated by the Comptroller for that biennium in the Biennial Revenue Estimate (BRE) submitted in advance of the 83rd Legislature, 2013. The bill would require the first \$340 million of the insurance premium taxes collected in excess of the estimate of collections in the BRE to be considered available for appropriation for providing the nonfederal share of disproportionate share hospital (DHS) supplemental payment program funds.

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, 2013.

Methodology

The new \$10 court cost that would be applied to four intoxication offense types is estimated to generate new revenue that would be deposited into a General Revenue-Dedicated account. According to the Office of Court Administration (OCA), in fiscal year 2012 there were 74,327 related convictions. For the revenue estimate the Comptroller of Public Accounts (CPA) assumed 72,000 convictions for the first year, a 50 percent collection rate, and no growth in convictions or collections. According to the Office of the Governor, revenue deposited to the new General Revenue-Dedicated account and appropriated to the agency would be expended in an equal amount to support related programming, including grants that support DWI prevention.

It is assumed that the costs to the Legislative Budget Board associated with the development and implementation of a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds would not be significant and could be absorbed within existing resources.

Currently, Article VIII, Section 22 of the Texas Constitution limits the biennial growth of appropriations from state tax revenue not dedicated by the constitution to the estimated rate of growth of the state's economy. Section 316.002 of the Government Code, instructs the Legislative Budget Board to determine the growth of the state's economy by estimating the growth in Texas personal income. The change from a limit applying the growth of personal income to one applying the lesser of 1) the Comptroller's revenue estimate, 2) the estimated biennial rate of growth of Texas personal income, or 3) a rate equal to the sum of the estimated biennial rate of growth of the state's population and the monetary inflation would likely reduce the allowable growth rate in appropriations for subsequent biennia.

For the purpose of illustration, the estimated rate of growth of personal income used to set the 2014-15 spending limit was 10.71 percent. The 2014-15 growth rate proposed by the bill, based on annual Texas population growth plus annual CPI for the Dallas/Fort Worth metropolitan area, would be 7.50 percent. Lowering the growth rate by 3.21 percent would further restrict appropriation authority by \$2.5 billion if the provisions applied to appropriations made in the 2014-15 biennium. Future appropriations would be additionally restricted if the growth rate was applied to a lower appropriations base. The provisions of the bill relating to the restriction on the

growth of certain appropriations, would only apply to appropriations made for the 2016-17 biennium and subsequent biennia.

According to the Comptroller, provisions of the bill relating to the allocation of interest and earnings on balances and revenues in General Revenue-Dedicated accounts would have no revenue implications, since the exemption language appears to allow all General Revenue accounts to retain their interest earnings.

According to the Comptroller, the reduction of rates for and revenue collections from certain solid waste disposal fees, and a change in the allocation of those fees, would result in a loss in revenue to General Revenue-Dedicated Solid Waste Disposal Fees Account 5000 in an amount estimated by the Comptroller to be \$19.4 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$17.3 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. There would be no net effect for revenues allocated to General Revenue-Dedicated Waste Management Account 549. According to TCEQ, expanding the exemption from tipping fees to include materials used for mulch processing could significantly reduce revenue collections, but because certain information related to mulch processing is not reported to TCEQ, the potential fiscal impact cannot be determined.

According to TCEQ, the bill would require the agency to implement certain solid waste management activities authorized in current law, such as funding demonstration projects conducting market research, and creating a state municipal solid waste superfund program. Current law does not require the agency to implement these activities. Implementation of a municipal solid waste superfund program would require a significant but indeterminate increase in agency appropriations. According to TCEQ, these activities were first enacted in 1990, and many of them were implemented by TCEQ's predecessor agency at the time. Since that time, recycling in Texas has matured and local jurisdictions are implementing solid waste grant programs. TCEQ reports that implementation of this provision would require 5 FTEs to manage funds provided to other state agencies, handle reporting requirements, and conduct research to promote development of recycled waste product markets. FTEs would be funded out of General Revenue-Dedicated Solid Waste Management account 549. Salary, benefits, and indirect costs for implementation of this provision are estimated to be \$341,153 in fiscal year 2014, and \$320,153 in each subsequent fiscal year.

Current collections from certain insurers for rural fire protection are \$30 million per fiscal year. Assuming future appropriations would continue at the fiscal year 2013 amount of \$13.5 million from General Revenue-Dedicated Volunteer Fire Department Assistance Account 5064, limiting the assessment to the total amount appropriated from Account 5064 would result in a loss of \$16.5 million per fiscal year to that account.

Currently, funds collected for surface casing letters of determination are deposited into General Revenue and then a portion of those funds are appropriated to the Railroad Commission as part of the agency's General Revenue funding. The agency reports collections of \$1.4 million in fiscal year 2012 from the expedited fee for surface casing letters of determination, and a General Revenue appropriation for the purpose of making surface casing determinations of \$0.8 for the same year. According to the Comptroller of Public Accounts, upon passage of the bill, revenue to the General Revenue Fund would decrease by an estimated \$1.4 million per fiscal year. Assuming fiscal year 2012 appropriation levels for the surface casing program would continue through fiscal year 2018, and assuming that amounts associated with employee benefits for surface casing FTEs currently paid out of General Revenue (estimated to be \$161,643) would shift to the OGRC Account No. 5155 upon passage of the bill, it is estimated that costs out of the General Revenue Fund would decrease by \$0.9 million per fiscal year. Likewise, revenues to the Oil and Gas Regulation and Cleanup Account No. 5155 would increase by \$1.4 million, while costs to the

account would increase by \$0.9 million per fiscal year.

The Comptroller estimated the fiscal impacts of the bill based on the Comptroller's 2014-15 Biennial Revenue Estimate. The Comptroller's estimates were based on general revenue-dedicated accounts utilized by the TPWD that are currently appropriated SGST and only reflect employee benefits associated with the SGST portion of the accounts. In future fiscal years, benefits paid from the SGST proceeds, as appropriated, may involve additional transfers to the General Revenue-Dedicated Texas Parks and Wildlife Conservation and Capital Account No. 5004. As TPWD received no appropriations of SGST proceeds to transfer to this account in the 2012-13 biennium, any projected amounts are not included here.

For the purposes of the following estimate, it is assumed that there would be revenue sufficient to support appropriations from the Emissions Reduction Plan Account 5071, absent a transfer from the State Highway Fund 0006, and that a fee will not be imposed pursuant to 42 U.S.C. Section 7511d. According to the Comptroller, the modification of the transfer of non-constitutional State Highway Fund 0006 money to Account 5071 would result in a loss of revenue to Account 5071 in an amount estimated by the Comptroller to be \$206.7 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$184.4 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013, and a savings to State Highway Fund 0006 in an equal amount. If the Comptroller determines at a later time that a transfer is necessary to support appropriations from Account 5071, or that a fee has been imposed pursuant to 42 U.S.C. Section 7511d, the amount of the loss of revenue to Account 5071 and corresponding savings to State Highway Fund 0006 would be reduced. It is further assumed that all savings to State Highway Fund 0006 associated with this change in law would be retained in that account and available for authorized use, and that no deposits would be made to the Texas Rail Relocation and Improvement Fund 0306.

The Comptroller reports that the following General Revenue-Dedicated accounts would be abolished and their revenue and balances would be moved to the trust fund: Texas Collegiate License Plates 5015; Read to Succeed Plates 5027; Big Bend National Park Plates 5030; Houston Livestock Show/Rodeo Scholarship Plates 5034; Attorney General Volunteer Advocate Program Plates 5036; Texas Reads Plates 5042; Girl Scout License Plates 5052; Tourism Plates 5053; Texas Special Olympics 5055; Texas A&M Kingsville Graduate Assistance Plates 5056; Waterfowl/Wetland Conservation Plates 5057; I Love Texas Plates 5086; Economic Development and Tourism 5110; Texas Music Foundation Plates 5113; Daughters of Republic of Texas Plates 5115; Texas Lions Camp Plates 5116; March of Dimes Plates 5117; Knights of Columbus Plates 5118; Cotton Boll Plates 5119; Marine Mammal Recovery Plates 5120; Share the Road Plates 5121; El Paso Mission Restoration 5122; Air Force Association of Texas Plates 5123; Boy Scout Plates 5126 Texas State Rifle Association Plates 5130; Master Gardener Plates 5131; Texas 4-H Plates 5132; Urban Forestry Plates 5133; Specialty License Plates General 5140; American Legion Plates 5141; and Marine Conservation Plates 5142. According to the Comptroller, certain specialty license plate revenue deposited to other General Revenue-Dedicated accounts not included in list above would also be moved to the trust fund.

The abolishment of certain General Revenue-Dedicated specialty license plate accounts and the establishment of a trust outside of the General Revenue Fund for the deposit of the balances and revenue of the former accounts would result in a revenue loss to those General Revenue-Dedicated specialty plate accounts and a gain to the Trust Fund for Specialty License Plates, an Other Fund, in an amount estimated by the Comptroller to be \$7.4 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$6.7 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. Moving balances from these General Revenue-Dedicated accounts to Other Funds outside of General Revenue would result in a negative impact on amounts available for certification.

The following analysis is based on information provided by the Comptroller and the PUC. For the purpose of this analysis, it is assumed that the new fee would be assessed at 50 cents per megawatt hour and in the same manner as the fee assessed under current law. According to the Comptroller, collections of that fee would begin in fiscal year 2014 and the revenue would be deposited to the Low-Income Electric Customers Program Fund. The bill requires PUC to have rules in place to administer the new structure by January 1, 2014, and this analysis assumes no fiscal changes occur prior to that date. Therefore, this analysis also assumes the nonbypassable utility fee collections would be set at the statutory maximum rate of 2 cents per megawatt hour and would begin to affect the System Benefit Fund beginning February 1, 2014; remittances earlier in the fiscal year would be assessments based on the 65 cent rate. This analysis assumes the new Low-Income Electric Customers Program Fund would begin seeing collections in February 1, 2014. This analysis also assumes the Legislature would appropriate \$50 million each year from the System Benefit Fund for weatherization or other energy efficiency programs as authorized in the bill.

This analysis assumes appropriations at the PUC for wholesale and retail electric market oversight, customer education, and administrative costs would remain at the 2012-13 appropriation level (\$7.6 million each fiscal year). Based on information provided by the Comptroller, there would be sufficient fee generated revenue to be deposited into the System Benefit Fund in fiscal year 2014 to cover the administrative costs. This analysis assumes the total fee generated revenue to be deposited into the System Benefit Fund would be \$4.5 million in fiscal year 2015; \$4.5 million in fiscal year 2016, \$4.6 million in fiscal year 2017, and \$4.6 million in fiscal year 2018, based on information provided by the Comptroller. This analysis assumes that the difference between the appropriations and revenues generated from the 2 cents per megawatt hour fee would be covered by the balance remaining in the System Benefit Fund. Also, this analysis does not consider interest that would be accruing in the System Benefit Fund beginning in fiscal year 2014.

This bill does not specifically address the balance in the System Benefit Fund, estimated to be \$811.3 million at the end of fiscal year 2013 according to the Comptroller's 2014-15 Biennial Revenue Estimate. This analysis assumes that the balance would remain in that General Revenue-Dedicated account notwithstanding amounts to cover appropriations at the PUC for wholesale and retail electric market oversight, customer education, and administrative costs and appropriations for weatherization and other energy efficiency programs, as well as to support rate reductions under the low-income electric customers programs, as outlined above. To the extent that balances are appropriated for this purpose, there would be a negative impact on amounts available for certification. Based on analysis of the PUC, duties and responsibilities associated with implementing the provisions of the bill could be accomplished utilizing existing resources. This analysis assumes that the costs associated with implementing the provisions of the bill related to the administration of the new Low-Income Electric Customers Program and Fund would be funded from that fund.

According to TCEQ, the evaluation of the petroleum product delivery fee to determine the amount necessary to conclude the program and activities is not expected to have significant fiscal implications.

The Comptroller reports that the fiscal impact of the provisions of the bill dedicating the first \$340 million in insurance premium tax collections above the amount estimated in the 2014-15 Biennial Revenue Estimate to DSH cannot be determined at this time, because it is dependent on actual collections above estimated amounts.

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 significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 301 Office of the Governor, 304 Comptroller of Public Accounts, 454 Department of Insurance, 473 Public Utility Commission of Texas, 477 Commission on State Emergency Communications, 582 Commission on Environmental Quality, 601 Department of Transportation, 802 Parks and Wildlife Department

LBB Staff: UP, KK, JI, JJ

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 25, 2013

TO: Honorable Jim Pitts, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB7 by Darby (relating to the amounts, availability, and use of certain statutorily dedicated revenue and account; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB7, Committee Report 1st House, Substituted: a positive impact of \$107,679,862 through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013; or a positive impact of \$97,590,766 through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. Combined, the net loss to the General Revenue-Dedicated accounts and the net gain to General Revenue Fund 0001 associated with the reallocation of interest would offset each other, resulting in no significant impact for certification purposes. Other provisions of the bill that reduce General Revenue-Dedicated account balances would result in a negative impact on amounts available for certification.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The following tables reflect the estimated impact if the effective date of the bill is June 1, 2013.

All Funds, Six-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Solid Waste Disposal Acct</i> 5000	Probable Revenue (Loss) from <i>Volunteer Fire Dept Assistance</i> 5064
2013	\$234,096	\$9,855,000	(\$2,127,000)	(\$7,500,000)
2014	\$936,383	\$44,663,000	(\$8,700,000)	(\$16,500,000)
2015	\$936,383	\$51,055,000	(\$8,600,000)	(\$16,500,000)
2016	\$936,383	\$51,055,000	(\$8,600,000)	(\$16,500,000)
2017	\$936,383	\$51,055,000	(\$8,600,000)	(\$16,500,000)
2018	\$936,383	\$51,055,000	(\$8,600,000)	(\$16,500,000)

Fiscal Year	Probable Revenue (Loss) from Texas Emissions Reduction Plan 5071	Probable Savings/(Cost) from System Benefit Account 5100	Probable Revenue Gain/(Loss) from System Benefit Account 5100	Probable Savings/(Cost) from Oil & Gas Regulation 5155
2013	(\$22,263,000)	\$0	\$0	(\$234,096)
2014	(\$91,102,000)	(\$25,000,000)	(\$82,269,000)	(\$936,383)
2015	(\$93,317,000)	(\$28,122,056)	(\$142,380,000)	(\$936,383)
2016	(\$118,222,000)	(\$28,080,087)	(\$143,621,000)	(\$936,383)
2017	(\$120,585,000)	(\$28,037,687)	(\$143,637,000)	(\$936,383)
2018	(\$122,968,000)	(\$28,037,687)	(\$143,651,000)	(\$936,383)

Fiscal Year	Probable Revenue Gain/(Loss) from Oil & Gas Regulation 5155	Probable Revenue (Loss) from Combined Select General Revenue Dedicated (Interest Reallocation)	Probable Revenue (Loss) from Select General Revenue Dedicated (Specialty Plates)	Probable Revenue (Loss) from Federal Funds 555
2013	\$467,000	(\$10,322,000)	(\$1,847,000)	(\$7,400,000)
2014	\$1,400,000	(\$46,063,000)	(\$2,743,000)	(\$29,600,000)
2015	\$1,400,000	(\$52,455,000)	(\$2,760,000)	(\$29,600,000)
2016	\$1,400,000	(\$52,455,000)	(\$2,760,000)	(\$29,600,000)
2017	\$1,400,000	(\$52,455,000)	(\$2,760,000)	(\$29,600,000)
2018	\$1,400,000	(\$52,455,000)	(\$2,760,000)	(\$29,600,000)

Fiscal Year	Probable Savings from State Highway Fund 6	Probable Revenue Gain/(Loss) from New Other - Low-income Electric Customers Program Fund	Probable Revenue Gain from New Other - Trust Fund of the Specialty License Plates
2013	\$22,263,000	\$0	\$1,847,000
2014	\$91,102,000	\$65,293,000	\$2,743,000
2015	\$93,317,000	\$112,980,000	\$2,760,000
2016	\$118,222,000	\$113,794,000	\$2,760,000
2017	\$120,585,000	\$114,040,000	\$2,760,000
2018	\$122,968,000	\$114,371,000	\$2,760,000

The following tables reflect the estimated impact if the effective date of the bill is September 1, 2013.

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue (Loss) from Solid Waste Disposal Acct 5000	Probable Revenue (Loss) from Volunteer Fire Dept Assistance 5064
2014	\$44,663,000	\$936,383	(\$8,700,000)	(\$16,500,000)
2015	\$51,055,000	\$936,383	(\$8,600,000)	(\$16,500,000)
2016	\$51,055,000	\$936,383	(\$8,600,000)	(\$16,500,000)
2017	\$51,055,000	\$936,383	(\$8,600,000)	(\$16,500,000)
2018	\$51,055,000	\$936,383	(\$8,600,000)	(\$16,500,000)

Fiscal Year	Probable Revenue (Loss) from Texas Emissions Reduction Plan 5071	Probable Revenue Gain/(Loss) from System Benefit Account 5100	Probable Savings/(Cost) from System Benefit Account 5100	Probable Revenue Gain/(Loss) from Oil & Gas Regulation 5155
2014	(\$91,102,000)	(\$82,269,000)	(\$25,000,000)	\$1,400,000
2015	(\$93,317,000)	(\$142,380,000)	(\$28,122,056)	\$1,400,000
2016	(\$118,222,000)	(\$143,621,000)	(\$28,080,087)	\$1,400,000
2017	(\$120,585,000)	(\$143,637,000)	(\$28,037,687)	\$1,400,000
2018	(\$122,968,000)	(\$143,651,000)	(\$28,037,687)	\$1,400,000

Fiscal Year	Probable Savings/(Cost) from Oil & Gas Regulation 5155	Probable Revenue (Loss) from Combined Select General Revenue Dedicated (Interest Reallocation)	Probable Revenue (Loss) from Select General Revenue Dedicated (Specialty Plates)	Probable Revenue (Loss) from Federal Funds 555
2014	(\$936,383)	(\$46,063,000)	(\$3,908,000)	(\$29,600,000)
2015	(\$936,383)	(\$52,455,000)	(\$2,760,000)	(\$29,600,000)
2016	(\$936,383)	(\$52,455,000)	(\$2,760,000)	(\$29,600,000)
2017	(\$936,383)	(\$52,455,000)	(\$2,760,000)	(\$29,600,000)
2018	(\$936,383)	(\$52,455,000)	(\$2,760,000)	(\$29,600,000)

Fiscal Year	Probable Savings from State Highway Fund 6	Probable Revenue Gain/(Loss) from New Other - Low-income Electric Customers Program Fund	Probable Revenue Gain from New Other - Trust Fund of the Specialty License Plates
2014	\$91,102,000	\$65,293,000	\$3,908,000
2015	\$93,317,000	\$112,980,000	\$2,760,000
2016	\$118,222,000	\$113,794,000	\$2,760,000
2017	\$120,585,000	\$114,040,000	\$2,760,000
2018	\$122,968,000	\$114,371,000	\$2,760,000

Fiscal Analysis

Among other provisions, the bill would implement recommendations in the Legislative Budget Board's report, "Options to Reduce Reliance on General-Revenue Dedicated Accounts for Certification of the State Budget" submitted to the Eighty-Third Texas Legislature, 2013. The bill would require the Legislative Budget Board (LBB) to develop and implement a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds. The bill would require the LBB to incorporate into budget recommendations appropriate measures to reduce reliance on available dedicated revenue for certification and include with the budget recommendations plans for further reducing reliance for the succeeding six years.

The bill would make all interest or other earnings that accrue on revenue held in an account in the General Revenue Fund, any part of which Section 403.095, Texas Government Code, makes available for certification, available for any general governmental purpose. The bill requires the Comptroller of Public Accounts (Comptroller) to deposit the interest and earnings to the credit of the General Revenue Fund. The bill excepts from this provision interest or earnings on certain tuition revenue, or on certain federal deposits.

The bill would reduce certain solid waste disposal fees, or "tipping" fees, by approximately one quarter. The bill would prohibit tipping fees from being applied to materials that are processed at composting and mulch processing facilities, except for materials that are utilized in the operation of or are disposed of in a landfill. Current law prohibits tipping fees from being applied to yard waste material composted at a composting facility. The bill would increase the allocation of tipping fee revenue deposited to the General Revenue-Dedicated Waste Management Account 549 from 50 to 66.7 percent, and would expand the purposes for which money in the account may be appropriated to include site remediation. The bill would reduce the allocation of tipping fee revenue deposited to the General Revenue-Dedicated Solid Waste Disposal Fees Account 5000 from 50 to 33.3 percent.

The bill would authorize the use of battery sales fee revenue deposited to Hazardous and Solid Waste Remediation Fees Account 550 for environmental remediation at the site of a certain closed battery recycling facility, through September 30, 2014.

The bill would expand the purposes for which money in the General Revenue-Dedicated 9-1-1 Service Fees Account 5050 may be appropriated to include appropriations to the Texas A&M Forest Service for providing assistance to volunteer fire departments. The bill would expand the purposes for which money in the General Revenue-Dedicated Designated Trauma Facility and Emergency Medical Services Account 5111 may be appropriated to include appropriations to the Texas Higher Education Coordinating Board for graduate-level medical education programs or graduate-level nursing education programs.

The bill would require the Comptroller to limit the assessment against certain insurers for rural fire protection to the total amount that the General Appropriations Act appropriates from the Volunteer Fire Department Assistance Account 5064 for that fiscal year.

The bill would provide that fees collected under Natural Resources Code, § 91.0115, for surface casing determination (groundwater protection) letters fees be deposited to the General Revenue-Dedicated Oil and Gas Regulation and Cleanup (OGRC) Account No. 5155.

The bill would require the Comptroller to monitor transfers to and from the General Revenue-Dedicated Emissions Reduction Plan Account 5071. The bill would make the transfer of State Highway Fund 0006 to the Comptroller for deposit to the Emissions Reduction Plan Account 5071, within certain limits, contingent on determinations by the Comptroller relating to amounts appropriated from Emissions Reduction Plan Account 5071 or on imposition of certain fee required by federal law. Specifically, the bill authorizes the Comptroller to require the Texas Department of Motor Vehicles (DMV) to remit (rather than requires DMV to remit) non-constitutional State Highway Fund 0006 to the Comptroller for deposit to the Emissions Reduction Plan Account 5071 an amount of money, not to exceed (rather than equal to) the amount of certificate of title fees deposited to the credit of the Texas Mobility Fund 0365, that the Comptroller determines is necessary to meet amounts appropriated from Emissions Reduction Plan Account 5071 or, after consultation with the Texas Commission on Environmental Quality (TCEQ), if a fee is imposed on stationary sources in certain counties as provided by 42 U.S.C. Section 7511d, an amount of money not to exceed the amount of the total of the additional \$5 collected in fees that is attributable to certificate of title fees collected in certain nonattainment counties.

The bill would authorize the Texas Transportation Commission to designate for congestion mitigation projects or for deposit to the Texas Rail Relocation and Improvement Fund 0306 eligible amounts retained in the State Highway Fund 0006 because the amounts were not required to be remitted as authorized above.

The bill would require the Comptroller, not later than September 30, 2013, to eliminate all General Revenue-Dedicated accounts established for specialty license plates under Subchapter G, Chapter 504, Texas Transportation Code, and set aside the balances of these accounts for appropriation for their dedicated purpose. The bill would deposit, on or after September 1, 2013, the portion of a fee payable under Subchapter G deposited to the credit of these accounts to a trust fund created by the Comptroller outside the General Revenue Fund.

The bill would amend the Utilities Code to reduce the amount of nonbypassable fee that finances the General Revenue-Dedicated--System Benefit Account No. 5100 (System Benefit Fund) from a maximum of 65 cents per megawatt hour to two cents per megawatt hour. The bill would also require the Public Utility Commission (PUC) to adopt rules providing for reimbursements from appropriated system benefit fund money for uses authorized for funding. The bill would amend the list of items for which system benefit fund money may be appropriated.

The bill would establish a Low-Income Electric Customers Program Fund as a trust fund outside the treasury. The PUC would prescribe the maximum percentage of money available in the fund that may be used for expenses of administering the fund and for annual independent auditing and other expenditures. The bill would require the commission to impose a nonbypassable Low-Income Electric Customers Program Fund fee to be set by the commission in an amount not to exceed 50 cents per megawatt hour. The bill would abolish the Low-Income Electric Customers Program Fund Fee after August 31, 2023. The bill would require the money in the Low-Income Electric Customers Program Fund to be spent on reduced electric rates for low-income customers and bill payment assistance for critical care residential customers as defined by the bill.

The bill would authorize the Legislature to appropriate from the System Benefit Fund not more than \$50 million each biennium to fund weatherization and other energy efficiency programs. The bill would require the programs to be operated by a statewide network of federal weatherization program providers under federal weatherization guidelines. Any money appropriated for this purpose would be required to be transferred to the Low-Income Electric Customers Fund for disbursement.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to report annually on corrective action status of certain petroleum contaminated sites. The bill would also require TCEQ to investigate the amount of fee revenue that would be necessary to cover the costs necessary to conclude certain programs and activities relating to the remediation of leaking petroleum storage tanks before September 1, 2021.

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, 2013.

Methodology

It is assumed that the costs to the Legislative Budget Board associated with the development and implementation of a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds would not be significant and could be absorbed within existing resources.

According to the Comptroller, the allocation of all interest and earnings on balances and revenues in the General Revenue-Dedicated accounts that are used for certification purposes to General Revenue Fund 0001, with certain accounts excluded, would result in a revenue loss to those

General Revenue-Dedicated accounts and a gain to General Revenue Fund 0001 in an amount estimated by the Comptroller to be \$108.8 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$98.5 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. According to the Comptroller, General Revenue-Dedicated accounts excluded from this provision based on federal deposits include Federal Civil Defense and Disaster Relieve 221, Department of Public Safety Federal 222, Federal Land and Water Conservation 223, and Railroad Commission Federal 5041. Combined, the net loss to the General Revenue-Dedicated accounts and the net gain to General Revenue Fund 0001 associated with the reallocation of interest and earnings would offset each other, resulting in no significant impact for certification purposes.

According to the Texas Parks and Wildlife Department (TPWD), federal requirements prohibit revenues from the sale of recreational hunting and fishing licenses from being diverted for purposes other than the administration of the state's fish and wildlife agency. Revenues are defined to include interest, dividends, or other income earned on license revenue. If diversion occurs, the state would become ineligible to participate under the Sportfish and Wildlife Restoration Acts. TPWD estimates that the reallocation of interest from General Revenue-Dedicated Game, Fish, and Water Safety 09 to General Revenue would constitute a diversion and would result in a loss of approximately \$29.6 million in Federal Funds in each fiscal year.

According to the Comptroller, the reduction of rates for and revenue collections from certain solid waste disposal fees, and a change in the allocation of those fees, would result in a loss in revenue to General Revenue-Dedicated Solid Waste Disposal Fees Account 5000 in an amount estimated by the Comptroller to be \$19.4 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$17.3 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. There would be no net effect for revenues allocated to General Revenue-Dedicated Waste Management Account 549. According to TCEQ, expanding the exemption from tipping fees to include materials used for mulch processing could significantly reduce revenue collections, but because certain information related to mulch processing is not reported to TCEQ, the potential fiscal impact cannot be determined.

Current collections from certain insurers for rural fire protection are \$30 million per fiscal year. Assuming future appropriations would continue at the fiscal year 2013 amount of \$13.5 million from General Revenue-Dedicated Volunteer Fire Department Assistance Account 5064, limiting the assessment to the total amount appropriated from Account 5064 would result in a loss of \$16.5 million per fiscal year to that account.

Currently, funds collected for surface casing letters of determination are deposited into General Revenue and then a portion of those funds are appropriated to the Railroad Commission as part of the agency's General Revenue funding. The agency reports collections of \$1.4 million in fiscal year 2012 from the expedited fee for surface casing letters of determination, and a General Revenue appropriation for the purpose of making surface casing determinations of \$0.8 for the same year.

According to the Comptroller of Public Accounts, upon passage of the bill, revenue to the General Revenue Fund would decrease by an estimated \$1.4 million per fiscal year. Assuming fiscal year 2012 appropriation levels for the surface casing program would continue through fiscal year 2018, and assuming that amounts associated with employee benefits for surface casing FTEs currently paid out of General Revenue (estimated to be \$161,643) would shift to the OGRC Account No. 5155 upon passage of the bill, it is estimated that costs out of the General Revenue Fund would decrease by \$0.9 million per fiscal year. Likewise, revenues to the Oil and Gas Regulation and Cleanup Account No. 5155 would increase by \$1.4 million, while costs to the account would increase by \$0.9 million per fiscal year.

For the purposes of this estimate, it is assumed that there would be revenue sufficient to support appropriations from the Emissions Reduction Plan Account 5071, absent a transfer from the State Highway Fund 0006, and that a fee will not be imposed pursuant to 42 U.S.C. Section 7511d. According to the Comptroller, the modification of the transfer of non-constitutional State Highway Fund 0006 money to Account 5071 would result in a loss of revenue to Account 5071 in an amount estimated by the Comptroller to be \$206.7 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$184.4 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013, and a savings to State Highway Fund 0006 in an equal amount. If the Comptroller determines at a later time that a transfer is necessary to support appropriations from Account 5071, or that a fee has been imposed pursuant to 42 U.S.C. Section 7511d, the amount of the loss of revenue to Account 5071 and corresponding savings to State Highway Fund 0006 would be reduced. It is further assumed that all savings to State Highway Fund 0006 associated with this change in law would be retained in that account and available for authorized use, and that no deposits would be made to the Texas Rail Relocation and Improvement Fund 0306.

The Comptroller reports that the following General Revenue-Dedicated accounts would be abolished and their revenue and balances would be moved to the trust fund: Texas Collegiate License Plates 5015; Read to Succeed Plates 5027; Big Bend National Park Plates 5030; Houston Livestock Show/Rodeo Scholarship Plates 5034; Attorney General Volunteer Advocate Program Plates 5036; Texas Reads Plates 5042; Girl Scout License Plates 5052; Tourism Plates 5053; Texas Special Olympics 5055; Texas A&M Kingsville Graduate Assistance Plates 5056; Waterfowl/Wetland Conservation Plates 5057; I Love Texas Plates 5086; Economic Development and Tourism 5110; Texas Music Foundation Plates 5113; Daughters of Republic of Texas Plates 5115; Texas Lions Camp Plates 5116; March of Dimes Plates 5117; Knights of Columbus Plates 5118; Cotton Boll Plates 5119; Marine Mammal Recovery Plates 5120; Share the Road Plates 5121; El Paso Mission Restoration 5122; Air Force Association of Texas Plates 5123; Boy Scout Plates 5126 Texas State Rifle Association Plates 5130; Master Gardener Plates 5131; Texas 4-H Plates 5132; Urban Forestry Plates 5133; Specialty License Plates General 5140; American Legion Plates 5141; and Marine Conservation Plates 5142. According to the Comptroller, certain specialty license plate revenue deposited to other General Revenue-Dedicated accounts not included in list above would also be moved to the trust fund.

The abolishment of certain General Revenue-Dedicated specialty license plate accounts and the establishment of a trust outside of the General Revenue Fund for the deposit of the balances and revenue of the former accounts would result in a revenue loss to those General Revenue-Dedicated specialty plate accounts and a gain to the Trust Fund for Specialty License Plates, an Other Fund, in an amount estimated by the Comptroller to be \$7.4 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$6.7 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. Moving balances from these General Revenue-Dedicated accounts to Other Funds outside of General Revenue would result in a negative impact on amounts available for certification.

The following analysis is based on information provided by the Comptroller and the PUC. For the purpose of this analysis, it is assumed that the new fee would be assessed at 50 cents per megawatt hour and in the same manner as the fee assessed under current law. According to the Comptroller, collections of that fee would begin in fiscal year 2014 and the revenue would be deposited to the Low-Income Electric Customers Program Fund. The bill requires PUC to have rules in place to administer the new structure by January 1, 2014, and this analysis assumes no fiscal changes occur prior to that date. Therefore, this analysis also assumes the nonbypassable utility fee collections would be set at the statutory maximum rate of 2 cents per megawatt hour and would begin to affect the System Benefit Fund beginning February 1, 2014; remittances earlier in the fiscal year would be assessments based on the 65 cent rate. This analysis assumes the new Low-

Income Electric Customers Program Fund would begin seeing collections in February 1, 2014. This analysis also assumes the legislature would appropriate \$25 million each year from the System Benefit Fund for weatherization or other energy efficiency programs as authorized in the bill.

This analysis assumes appropriations at the PUC for wholesale and retail electric market oversight, customer education, and administrative costs would remain at the 2012-13 appropriation level (\$7.6 million each fiscal year). Based on information provided by the Comptroller, there would be sufficient fee generated revenue to be deposited into the System Benefit Fund in fiscal year 2014 to cover the administrative costs. This analysis assumes the total fee generated revenue to be deposited into the System Benefit Fund would be \$4.5 million in fiscal year 2015; \$4.5 million in fiscal year 2016, \$4.6 million in fiscal year 2017, and \$4.6 million in fiscal year 2018, based on information provided by the Comptroller. This analysis assumes that the difference between the appropriations and revenues generated from the 2 cents per megawatt hour fee would be covered by the balance remaining in the System Benefit Fund. Also, this analysis does not consider interest that would be accruing in the System Benefit Fund beginning in fiscal year 2014.

This bill does not specifically address the balance in the System Benefit Fund, estimated to be \$811.3 million at the end of fiscal year 2013 according to the Comptroller's 2014-15 Biennial Revenue Estimate. This analysis assumes that the balance would remain in that General Revenue account notwithstanding amounts to cover appropriations at the PUC for wholesale and retail electric market oversight, customer education, and administrative costs and appropriations for weatherization and other energy efficiency programs, as outlined above. To the extent that balances are appropriated for this purpose, there would be a negative impact on amounts available for certification. Based on analysis of the PUC, duties and responsibilities associated with implementing the provisions of the bill could be accomplished utilizing existing resources. This analysis assumes that the costs associated with implementing the provisions of the bill related to the administration of the new Low-Income Electric Customers Program and Fund would be funded from that fund.

According to TCEQ, the evaluation of the petroleum product delivery fee to determine the amount necessary to conclude the program and activities is not expected to have significant fiscal implications.

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 significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 455 Railroad Commission, 473 Public Utility Commission of Texas, 529 Health and Human Services Commission, 537 State Health Services, Department of, 576 Texas A&M Forest Service, 582 Commission on Environmental Quality, 608 Department of Motor Vehicles, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department, 304 Comptroller of Public Accounts, 477 Commission on State Emergency Communications, 601 Department

of Transportation
LBB Staff: UP, JJ, KK, JI

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 24, 2013

TO: Honorable Jim Pitts, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB7 by Darby (Relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB7, As Introduced: a positive impact of \$109,505,000 through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013; or a positive impact of \$99,108,000 through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. Combined, the net loss to the General Revenue-Dedicated accounts and the net gain to General Revenue Fund 0001 associated with the reallocation of interest and earnings would offset each other, resulting in no significant impact for certification purposes.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The following tables reflect the estimated impact if the effective date of the bill is June 1, 2013.

All Funds, Six-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund 1</i>	Probable Revenue (Loss) from <i>Combined Select General Revenue Dedicated</i>	Probable Revenue (Loss) from <i>Solid Waste Disposal Acct 5000</i>	Probable Revenue (Loss) from <i>Texas Emissions Reduction Plan 5071</i>
2013	\$10,397,000	(\$10,397,000)	(\$2,127,000)	(\$22,263,000)
2014	\$46,347,000	(\$46,347,000)	(\$8,700,000)	(\$91,102,000)
2015	\$52,761,000	(\$52,761,000)	(\$8,600,000)	(\$93,317,000)
2016	\$52,761,000	(\$52,761,000)	(\$8,600,000)	(\$118,222,000)
2017	\$52,761,000	(\$52,761,000)	(\$8,600,000)	(\$120,585,000)
2018	\$52,761,000	(\$52,761,000)	(\$8,600,000)	(\$122,968,000)

Fiscal Year	Probable Savings from State Highway Fund 6
2013	\$22,263,000
2014	\$91,102,000
2015	\$93,317,000
2016	\$118,222,000
2017	\$120,585,000
2018	\$122,968,000

The following tables reflect the estimated impact if the effective date of the bill is September 1, 2013.

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1	Probable Revenue (Loss) from Combined Select General Revenue Dedicated	Probable Revenue (Loss) from Solid Waste Disposal Acct 5000	Probable Revenue (Loss) from Texas Emissions Reduction Plan 5071
2014	\$46,347,000	(\$46,347,000)	(\$8,700,000)	(\$91,102,000)
2015	\$52,761,000	(\$52,761,000)	(\$8,600,000)	(\$93,317,000)
2016	\$52,761,000	(\$52,761,000)	(\$8,600,000)	(\$118,222,000)
2017	\$52,761,000	(\$52,761,000)	(\$8,600,000)	(\$120,585,000)
2018	\$52,761,000	(\$52,761,000)	(\$8,600,000)	(\$122,968,000)

Fiscal Year	Probable Savings from State Highway Fund 6
2014	\$91,102,000
2015	\$93,317,000
2016	\$118,222,000
2017	\$120,585,000
2018	\$122,968,000

Fiscal Analysis

Among other provisions, the bill would implement recommendations in the Legislative Budget Board's report, "Options to Reduce Reliance on General-Revenue Dedicated Accounts for Certification of the State Budget" submitted to the Eighty-Third Texas Legislature, 2013.

The bill would require the Legislative Budget Board to develop and implement a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds.

The bill would make all interest or other earnings that accrue on revenue held in an account in the General Revenue Fund, any part of which Section 403.095, Texas Government Code, makes available for certification, available for any general governmental purpose. The bill requires the Comptroller of Public Accounts (Comptroller) to deposit the interest and earnings to the credit of the General Revenue Fund. The bill excepts from this provision interest or earnings on certain tuition revenue.

The bill would reduce certain solid waste disposal fees, or "tipping" fees, by approximately one

quarter. The bill would increase the allocation of tipping fee revenue deposited to the General Revenue-Dedicated Waste Management Account 549 from 50 to 66.7 percent. The bill would reduce the allocation of tipping fee revenue deposited to the General Revenue-Dedicated Solid Waste Disposal Fees Account 5000 from 50 to 33.3 percent.

The bill would expand the purposes for which money in the General Revenue-Dedicated 9-1-1 Service Fees Account 5050 may be appropriated to include appropriations to the Texas A&M Forest Service for providing assistance to volunteer fire departments.

The bill would expand the purposes for which money in the General Revenue-Dedicated Designated Trauma Facility and Emergency Medical Services Account 5111 may be appropriated to include appropriations to the Texas Higher Education Coordinating Board for graduate-level medical education programs or graduate-level nursing education programs.

The bill would require the Comptroller to limit the assessment against certain insurers for rural fire protection to the total amount that the General Appropriations Act appropriates from the Volunteer Fire Department Assistance Account 5064 for that fiscal year.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to investigate and report on the amount of petroleum product delivery fee revenue that would be necessary to cover the costs necessary to conclude certain programs and activities relating to the remediation of leaking petroleum storage tanks before September 1, 2021.

The bill would repeal the provision that requires the Texas Department of Motor Vehicles to remit non-constitutional State Highway Fund 0006 to the Comptroller for deposit to the General Revenue-Dedicated Emissions Reduction Plan Account 5071 in an amount of money equal to the amount certificate of title fees deposited to the credit of the Texas Mobility Fund 0365.

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, 2013.

Methodology

It is assumed that the costs to the Legislative Budget Board associated with the development and implementation of a process to review the dedication, appropriation, and accumulation of General Revenue-Dedicated Funds would not be significant and could be absorbed within existing resources.

The allocation of all interest and earnings on balances and revenues in the General Revenue-Dedicated accounts that are used for certification purposes to General Revenue Fund 0001 would result in a revenue loss to those General Revenue-Dedicated accounts and a gain to General Revenue Fund 0001 in an amount estimated by the Comptroller to be \$109.5 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$99.1 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. Combined, the net loss to the General Revenue-Dedicated accounts and the net gain to General Revenue Fund 0001 associated with the reallocation of interest and earnings would offset each other, resulting in no significant impact for certification purposes.

The reduction of rates for and revenue collections from certain solid waste disposal fees, and a change in the allocation of those fees, would result in a loss in revenue to General Revenue-

Dedicated Solid Waste Disposal Fees Account 5000 in an amount estimated by the Comptroller to be \$19.4 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$17.3 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013. There would be no net effect for revenues allocated to General Revenue-Dedicated Waste Management Account 549.

According to the Comptroller, the fiscal impact of limiting the assessment against certain insurers for rural fire protection cannot be determined. However, it would have the effect of balancing Account 5064 revenues and appropriations for this purpose.

According to TCEQ, the evaluation of the petroleum product delivery fee to determine the amount necessary to conclude the program and activities is not expected to have significant fiscal implications.

The repeal of the transfer of non-constitutional State Highway Fund 0006 money to General Revenue-Dedicated Emissions Reduction Plan Account 5071 would result in a loss of revenue to Account 5071 in an amount estimated by the Comptroller to be \$206.7 million through the biennium ending August 31, 2015, if the effective date of the bill is June 1, 2013, or \$184.4 million through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013, and a savings to State Highway Fund 0006 in an equal amount.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 454 Department of Insurance, 477 Commission on State Emergency Communications, 537 State Health Services, Department of, 576 Texas A&M Forest Service, 582 Commission on Environmental Quality, 601 Department of Transportation, 781 Higher Education Coordinating Board

LBB Staff: UP, KK, JI, JJ

LEGISLATIVE BUDGET BOARD

Austin, Texas

TAX/FEE EQUITY NOTE

83RD LEGISLATIVE REGULAR SESSION

April 24, 2013

TO: Honorable Jim Pitts, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB7 by Darby (relating to the amounts, availability, and use of certain statutorily dedicated revenue and account; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments.), **Committee Report 1st House, Substituted**

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source Agencies:

LBB Staff: UP, KK

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

TAX/FEE EQUITY NOTE

83RD LEGISLATIVE REGULAR SESSION

March 24, 2013

TO: Honorable Jim Pitts, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB7 by Darby (Relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments.), **As Introduced**

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

Source Agencies:

LBB Staff: UP, KK