

JANUARY 2023

FISCAL NOTES

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Fentanyl Flowing into Texas

By Devin Monk



LAW ENFORCEMENT TARGETS CARTELS, GANGS TO SQUEEZE SUPPLY

Bridge of the Americas Port of Entry, El Paso, Texas, courtesy of U.S. Customs and Border Protection

A 1,254-mile line — the length of the Texas-Mexico border — has been drawn and along it, illicit fentanyl is seeping into Texas and claiming lives on an unprecedented scale.

Fifty times more powerful than heroin and 100 times stronger than morphine, fentanyl can be prescribed as a painkiller or anesthetic. But used illegally, it was linked to almost 1,700 fatal overdoses in Texas last year. The Drug Enforcement Administration (DEA) recently reported that its lab testing last year revealed six out of 10 fentanyl-laced prescription pills contain a potentially lethal dose of fentanyl — up from four out of 10 in 2021.

Since March 2021, the combined efforts of Texas Department of Public Safety (DPS) troopers, criminal investigators and intelligence specialists dedicated to border operations have led to the seizures of more than 342 million lethal doses of fentanyl, according to the governor's office.

This mobilization complements ongoing efforts by multiple law enforcement agencies at both federal and local levels to disrupt the supply of illicit fentanyl into Texas. But how it gets across the border, how it is distributed and how it claims lives create ongoing challenges.

LOST IN THE SHUFFLE

Texas' shared border with Mexico is just one avenue for fentanyl trafficking, due in part to its accessibility. It's a border joined by 29 international bridges and border crossings (**Exhibit 1**). In 2021, nearly 43 million personal vehicles, 4.87 million commercial trucks, 51,990 buses and 9,023 trains crossed the border legally, according to U.S. Bureau of Transportation data. In the same year, U.S. Customs and Border Protection (CBP) reported more than 1.23 million enforcement encounters in response to illegal crossings on the Texas-Mexico border, including 5,541 drug seizure events.

A Message from the Comptroller



Opioid prescription use has skyrocketed nationwide since the late 1990s, with dramatically harmful results for our citizens. We now know that opioids, even when they're prescribed by doctors to treat moderate to severe pain, can lead to life-altering dependency. In 2020, nearly 75 percent of drug overdoses involved opioids.

In response to the proliferation of opioid-use disorder and deaths stemming from prescription misuse over the course of nearly 20 years, 14 states including Texas filed a lawsuit against major opioid manufacturers and pharmaceutical distributors to hold those companies accountable for the damage they caused. As a result of that lawsuit, Texas will receive an estimated \$1.6 billion over the next 18 years from settlements reached with three opioid manufacturers and three pharmaceutical distributors.

In 2021, the 87th Legislature created the Texas Opioid Abatement Fund Council to guide how the state spends money from these settlements to address opioid abuse and addiction in Texas. The council is responsible for directing funds to hospital districts, regional health care partnerships and specific opioid abatement programs that seek to prevent opioids from entering our communities and support long-term recovery for Texans with opioid-use disorder.

If allocated fairly and spent using efficient, cost-effective methods, \$1.6 billion will go a long way to improve Texans' health and, by extension, the state economy. You can read details about the council's work in this issue of *Fiscal Notes*. You also can read about the devastating effects of fentanyl, a type of synthetic opioid that is 50 times stronger than heroin and 100 times more potent than morphine.

Fentanyl can be prescribed by doctors as a strong painkiller or anesthetic, but when misused or used illegally, it is one of the most dangerous drugs in existence — in 2021 alone, there were nearly 1,700 fentanyl-related deaths in Texas. And the smuggling of this deadly drug across the Texas-Mexico border by gangs and cartels has recently become an epidemic in and of itself. These criminal organizations are pushing fentanyl-laced pills disguised as mainstream opioid prescriptions. U.S. Customs and Border Protection, the Texas Department of Public Safety and the Texas National Guard are collaborating to choke off smuggling operations at Texas' ports of entry. Since last spring, more than 342 million lethal doses of fentanyl have been seized — enough to kill the entire U.S. population. It's a chilling detail, but it puts this crisis in perspective.

As always, I hope you find this issue informative.


Glenn Hegar

Texas Comptroller of Public Accounts

SUPPLY CHAIN NEXUS

HIDALGO COUNTY INTERNATIONAL BRIDGE CROSSINGS

ONE IN A SERIES OF REPORTS THE COMPTROLLER HAS PREPARED ON TEXAS SUPPLY CHAINS

Hidalgo County Border Crossings

The five Hidalgo County border crossings are gateways for the trade of intermediate goods (components of final products). These goods play an integral part of many industries' supply chains. The Hidalgo County ports of entry include five international bridges that connect the U.S. to Mexico:



NORTHBOUND OFFICIAL BORDER CROSSINGS, HIDALGO AND PROGRESO (2020)

PEDESTRIANS	2,079,696
CARS	3,371,049
TRUCKS	724,015

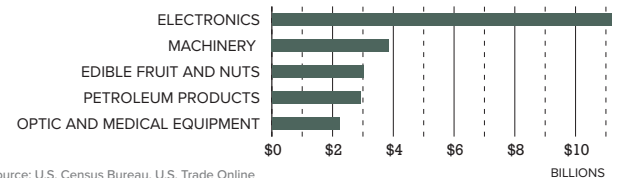
PORTS OF ENTRY TRADE VALUE

2020 TRADE THROUGH ALL TEXAS PORTS	\$638 BILLION
2020 TRADE THROUGH HIDALGO COUNTY PORTS OF ENTRY	\$33 BILLION

Sources: U.S. Census Bureau, Bureau of Transportation Statistics

Hidalgo County Ports of Entry

TOP 5 COMMODITIES, 2020



Source: U.S. Census Bureau, U.S. Trade Online

Hidalgo County Total Manufacturing Industry

TOTAL INDUSTRY EMPLOYMENT	6,970
INDUSTRY AVERAGE WAGES	\$42,487
TOTAL INDUSTRY WAGES	\$296 MILLION

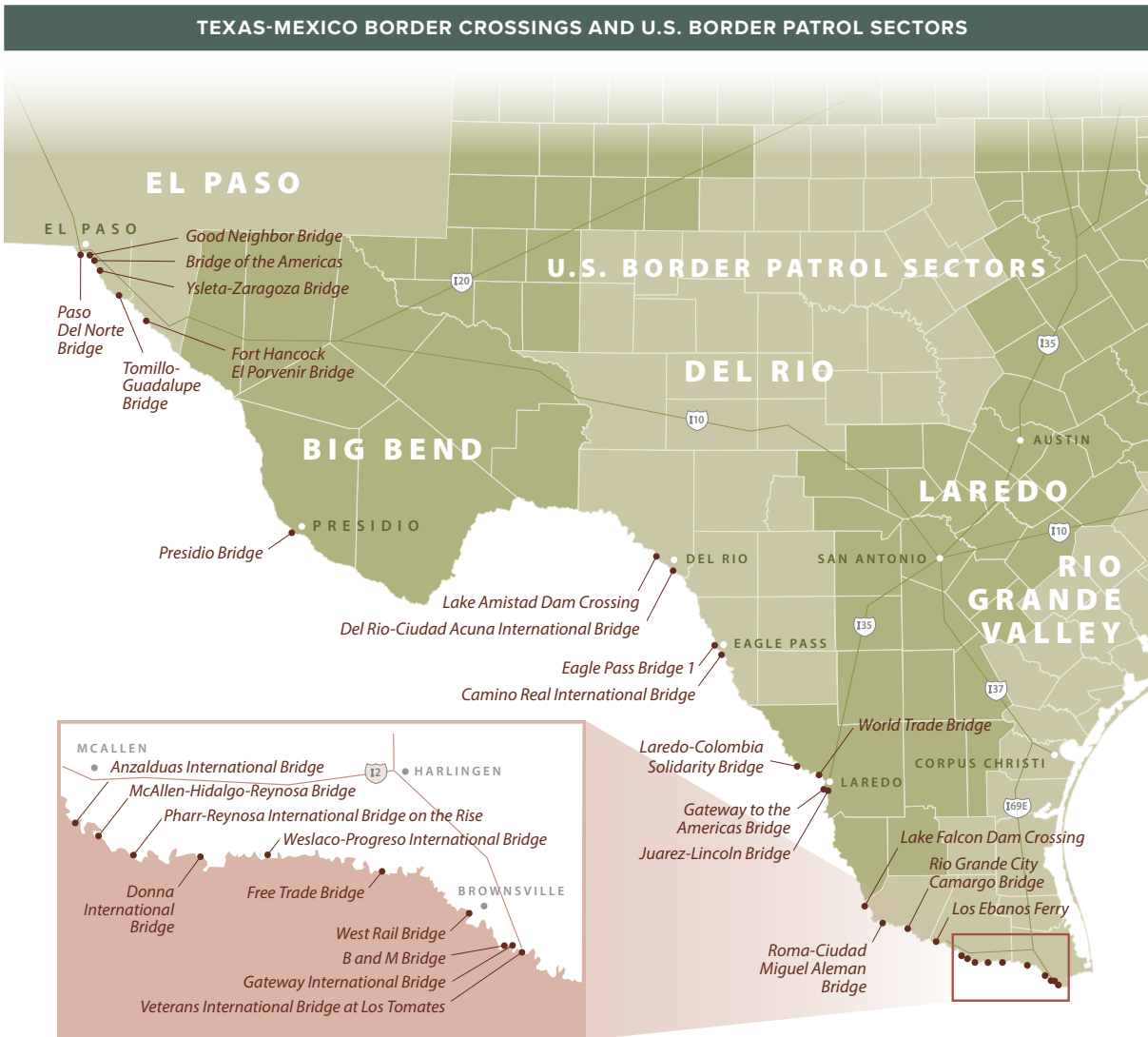
Source: JobsEQ

MAQUILADORAS are Mexican factories that receive raw materials from the U.S. on a duty- and tariff-free basis and return finished goods to the U.S. Maquiladoras play a significant role in the economic growth of the Hidalgo County area with the implementation of the North American Free Trade Agreement (NAFTA) in the 1990s and the United States-Mexico-Canada Agreement (USMCA) in 2020.

TO SEE INFORMATION ON TEXAS SUPPLY CHAINS AND THE TEXAS ECONOMY: comptroller.texas.gov/economy/economic-data/supply-chain/

If you would like to receive a paper copy of *Fiscal Notes*, contact us at fiscal.notes@cpa.texas.gov.

EXHIBIT 1



U.S. Customs and Border Protection checks for contraband such as illicit fentanyl in five Texas sectors that include 29 international bridges and crossings on the Texas-Mexico border. Sources: U.S. CBP; Texas Department of Transportation

The DEA has worked with partner agencies to identify and arrest members of drug trafficking networks around the world, but it has named the Mexico-based Sinaloa Cartel and the Jalisco New Generation Cartel as the major suppliers of fentanyl in the U.S. Mexican cartels primarily use personally owned vehicles, rental vehicles and trucks/tractor trailers via interstates to smuggle illicit fentanyl and other illegal narcotics into the U.S., while couriers sneak it into the U.S. on commercial airlines, the DEA states.

Other smuggling techniques involve stashing drugs and other contraband in vehicles' tires, firewalls, gas tanks, after-market compartments and natural voids, but most often, smugglers carry drugs in a body cavity or strap them onto their bodies, CBP's El Paso Port Director Ray Provencio says.

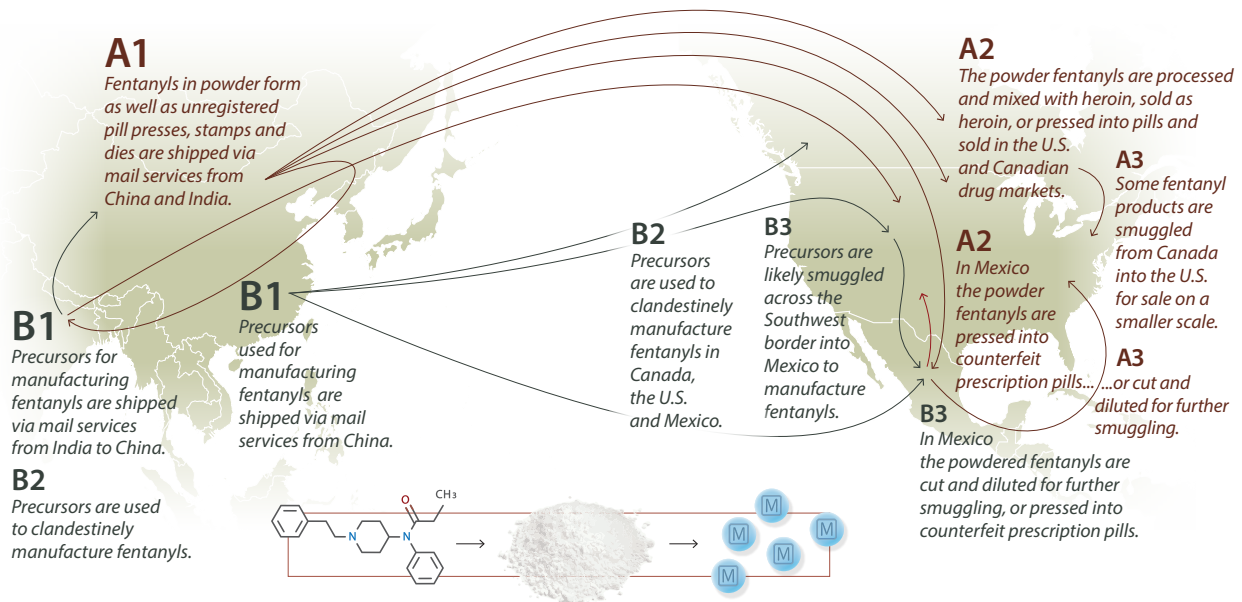
Beyond U.S. borders, fentanyl's supply chain spans additional miles of ocean and international borders with criminals hungering for profit and law enforcement agencies united in deterrence. Traffickers may adapt their operations, challenging enforcement efforts. For example, China and India drug trafficking organizations (DTOs) and nationals initially supplied their partners in Mexico with fentanyl. After China enacted tougher regulations against fentanyl and its analogues in 2019, the criminal organizations in that country shifted operations to India where fentanyl components were not controlled at the time. Since then, India has also brought these substances under national control.

Stymied by their national governments, these DTOs began exporting precursors — the chemical building blocks used in the early stages of fentanyl production (**Exhibit 2**).

Fentanyl Flowing into Texas

EXHIBIT 2

FLOW OF FENTANYL INTO THE U.S.



The flow of illicit fentanyl into the U.S. originates in China and India with creation of powders (A) and precursors (B) that are shipped to North America, primarily to Mexico where cartels complete manufacturing before smuggling pills or diluted powder across the Southwest border.
Source: DEA

“We are seeing these [counterfeit pills] in the lab every day, and a lot of times they trick us.”

– Jennifer Hatch

In Texas, the governor’s office has established several measures aimed at curtailing fentanyl trafficking and building awareness. An executive order designated the two Mexican drug cartels mentioned previously as terrorist organizations and established a Mexican Cartel Division within the Texas Fusion Center, a DPS intelligence division facility that collaborates with federal, state, regional and local law enforcement and collects homeland security information and incident reporting. The recent surge of opioid-related deaths prompted lawmakers to approve and Gov. Greg Abbott to sign Senate Bill 768 in June 2021 to make the manufacture or delivery of fentanyl a criminal offense.

Gov. Abbott also launched the One Pill Kills campaign in October 2022 to raise awareness about deadly fentanyl.

A DEADLY DECEIT

Deception is one of illicit fentanyl’s most lethal qualities, its threat concealed by its many guises.

DTOs mass produce fake pills to resemble other Schedule II prescription opioids such as OxyContin®, Percocet®



Jennifer Hatch, Texas Department of Public Safety

and Vicodin®; depressants like Xanax®; or stimulants such as Adderall®, DPS Seized Drugs System Trainer Jennifer Hatch says. These counterfeit pills can contain fentanyl or methamphetamine.

Hatch explains that while lab instrument and color tests quickly detect the difference between real and fake, the difference is often imperceptible to the naked eye.

“We are seeing these [counterfeit pills] in the lab every day, and a lot of times they trick us,” she says. “[Criminals] are becoming more inventive in what they are putting out there. There are so many ways to synthesize it.”

Additionally, fentanyl is often mixed with heroin or methamphetamine, with buyers unaware of its presence — leading victims’ families to say those they lost died of poisonings and not of overdoses.

Fentanyl Flowing into Texas



Comparison between authentic (left) and counterfeit (right) 30mg oxycodone. Courtesy of DEA

Appearance is not the only tool employed by drug traffickers to push their product. Using social media and dark web e-commerce platforms and accepting cryptocurrency as payment, cartels and other criminal organizations prey on the public's trust in legal



Christopher Olivarez, Texas Department of Public Safety

medications to slip these tiny, yet lethal, doses of fentanyl into harmful mixtures of master counterfeits.

"The cartels are starting to use [online] marketing to drive addiction and gain profit," DPS Lt. Christopher Olivarez says. "They couldn't care less who they kill, who they hurt, what lives they destroy. It does not matter to them."

DETERRENCE IN THE TRENCHES

Of the 29 border crossings and international bridges on the Texas-Mexico border, the Port of El Paso stands out for its numerous points of entry. Provencio heads operations and enforcement activities at 53 lanes at the Bridge of the Americas, Paso Del Norte crossing and Stanton Street Port of Entry's Secure Electronic Network for Travelers Rapid Inspection (SENTRI) points of entry. The port's other points of entry include two rail crossings and an import facility with six commercial vehicle lanes as well as CBP operations at the El Paso International Airport.

"It's one of the most complex ports of entry within the nation, more specifically on the Southwest border," says Provencio, who oversees a range of 750 to 1,000 CBP officers, agriculture specialists, canine enforcement officers, support personnel and others at these locations.



Ray Provencio, U.S. Customs and Border Protection

The bulk of fentanyl seizures in CBP's El Paso sector, which includes far West Texas and all of New Mexico, occurs at points of entry in the El Paso metro area, according to Provencio. The El Paso port gathers intelligence updates, analytics, targeted information from confidential sources, previous travel patterns and data from officer-traveler interactions.

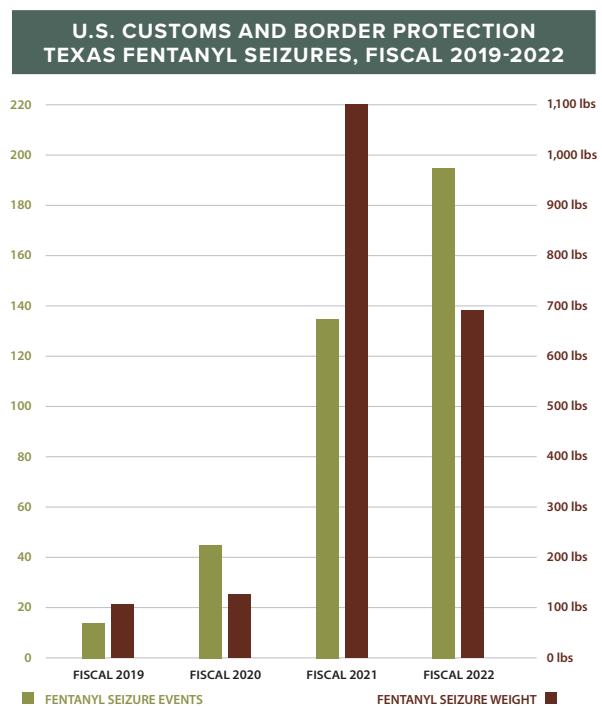
These sources support a layered enforcement approach incorporating officers and canines that detect narcotics.

Anti-narcotics is just one of the port's five border security missions, which range from national security and anti-terrorism to lawful trade and travel.

"We have encountered a significant shift in narcotics," Provencio says. "We are seeing a lot more of the harder narcotics, specifically fentanyl. Someone can try to bring in such a small amount of fentanyl, and it has such a huge value on the (black) market."

CBP's totals for both the number and weight of fentanyl seizures along the Texas-Mexico border have escalated in recent years, increasing from 14 events in 2019 to 195 in 2022 (**Exhibit 3**).

EXHIBIT 3



Since 2019, U.S. Customs and Border Protection's seizures of illicit fentanyl at the Texas-Mexico border have risen significantly both in number of events and weight. Source: U.S. CBP

“There are several mechanisms that we have found recently that criminal street gangs and individuals involved in narcotics trafficking — especially in fentanyl and ecstasy — are using to get them on the street.”

– George Rhyne

CBP seized 107 pounds of fentanyl in 2019 and 692 pounds in 2022. The El Paso Field Office alone recorded an increase of 936 percent: from 36 pounds of fentanyl seized in fiscal 2020 to 373 pounds seized in fiscal 2021.

“It’s a heightened threat not just along the border community but also among the entire U.S.,” Provencio stresses. “Our frontline is out there doing everything they can to mitigate that threat or prevent it altogether.”

Despite law enforcement’s best efforts to halt the flow, the cartels are formidable adversaries, relentlessly pumping fentanyl into Texas, the U.S. and beyond. Both Provencio and Olivarez, who is based in Del Rio, say collaboration among federal, state and local agencies is vital in the attempt to intercept the flow of fentanyl before it reaches distributors in Texas’ interior.

LAST MILE DISTRIBUTION

Part of Gov. Abbott’s September 2022 Executive Order instructed DPS to stop gangs in Texas that support cartel drug operations.

Mexican cartels form business partnerships with transnational gangs, U.S.-based street gangs and prison gangs, according to the DEA. With the cooperation and participation of local street gangs, the cartels deliver fentanyl and other drugs to user markets that they manage or influence in the U.S. through transportation routes and distribution cells.

Realizing the need to share intelligence and resources at the local level, nine Texas Anti-Gang (TAG) Centers bring together local, county and state law enforcement agencies in collaboration to mitigate gang threats. In recent years, newer TAGs in Tyler, Waco and Laredo joined existing centers in El Paso, Houston, Lubbock, Irving, McAllen and San Antonio.

Houston TAG Administrator George Rhyne says that center investigates the “worst of the worst” individuals in Houston, Harris County and neighboring counties in one of the most active areas of the state for gangs. These gangs are constantly



George Rhyne, Texas
Anti-Gang Center, Houston

developing new tactics, such as dark web advertisements, to get fentanyl into the hands of users while eluding detection, Rhyne says.

“There are several mechanisms that we have found recently that criminal street gangs and individuals involved in narcotics trafficking — especially in fentanyl and ecstasy — are using to get them on the street,” he says.

STOPPING THE FLOW – AND LOSS OF LIFE

Fentanyl-related deaths are spreading through schools, workplaces and other social institutions at an alarming rate, as evidenced by the rising number of overdoses linked to the drug. Many Texans dying from suspected fentanyl overdoses are unaware of the poison inside the illicit pills they are ingesting.

Data from the Texas Department of State Health Services (DSHS) show a steadily increasing and concerning trend among Texans: 210 fentanyl-related deaths in 2018, 317 in 2019 and 886 in 2020, with provisional data of 1,612 deaths in 2021. For 2022, DSHS reported provisional data for 1,428 fentanyl-related deaths through Oct. 31. Nationally, the Centers for Disease Control and Prevention reported 66 percent of drug deaths in 2021 were related to synthetic opioids like fentanyl.

To stem the flow of fentanyl and its related fatalities, our state’s chances hinge on collaboration and funding. Texas is meeting the challenge head-on, aided by the formation of the Opioid Abatement Fund Council and an anticipated \$1.6 billion over 18 years from opioid settlement agreements, but waves of illicit fentanyl continue to slip past defenses and take lives mercilessly. **FN**

The Opioid Abatement Fund Council is administratively attached to the Comptroller’s office. Find details about it and other agency programs related to the economy or state finances at comptroller.texas.gov/programs.



TEXAS' RESPONSE TO THE OPIOID EPIDEMIC

Since the late 1990s, when pharmaceutical companies asserted that opioids were not addictive, the use of prescription opioids has grown substantially; by 2017, more than 191 million prescriptions were written in the U.S. A 2019 national survey on drug use and health by the Centers for Disease Control and Prevention (CDC) found that more than 10 million patients misused prescription opioids that year, leading the CDC and states such as Texas to declare an opioid epidemic and change prescription standards. Texas, along with 13 other states, brought a lawsuit against several pharmaceutical companies for their role in causing the opioid crisis. The states recouped billions of dollars to address the health results of the opioid epidemic faced by their citizens.

OPIOID SETTLEMENT AGREEMENT

In July 2021, a \$26 billion settlement was reached between a bipartisan group of attorneys general and opioid manufacturer Johnson & Johnson (Janssen), and three pharmaceutical distributors, Amerisource Bergen, Cardinal Health and McKesson.

Texas is estimated to receive about \$1.6 billion over the course of 18 years from six different companies through the settlement agreements.

TEXAS OPIOID ABATEMENT FUND COUNCIL

Given the potential amounts of settlement proceeds and the needs of those in crisis, in 2021 the 87th Legislature created

the Texas Opioid Abatement Fund Council, administratively supported by the Texas Comptroller of Public Accounts. The council is charged with ensuring that the money recovered from the multi-state settlements and court orders is divided fairly and used to remediate the opioid crisis faced by the state.

OPIOID ABATEMENT PROCEEDS

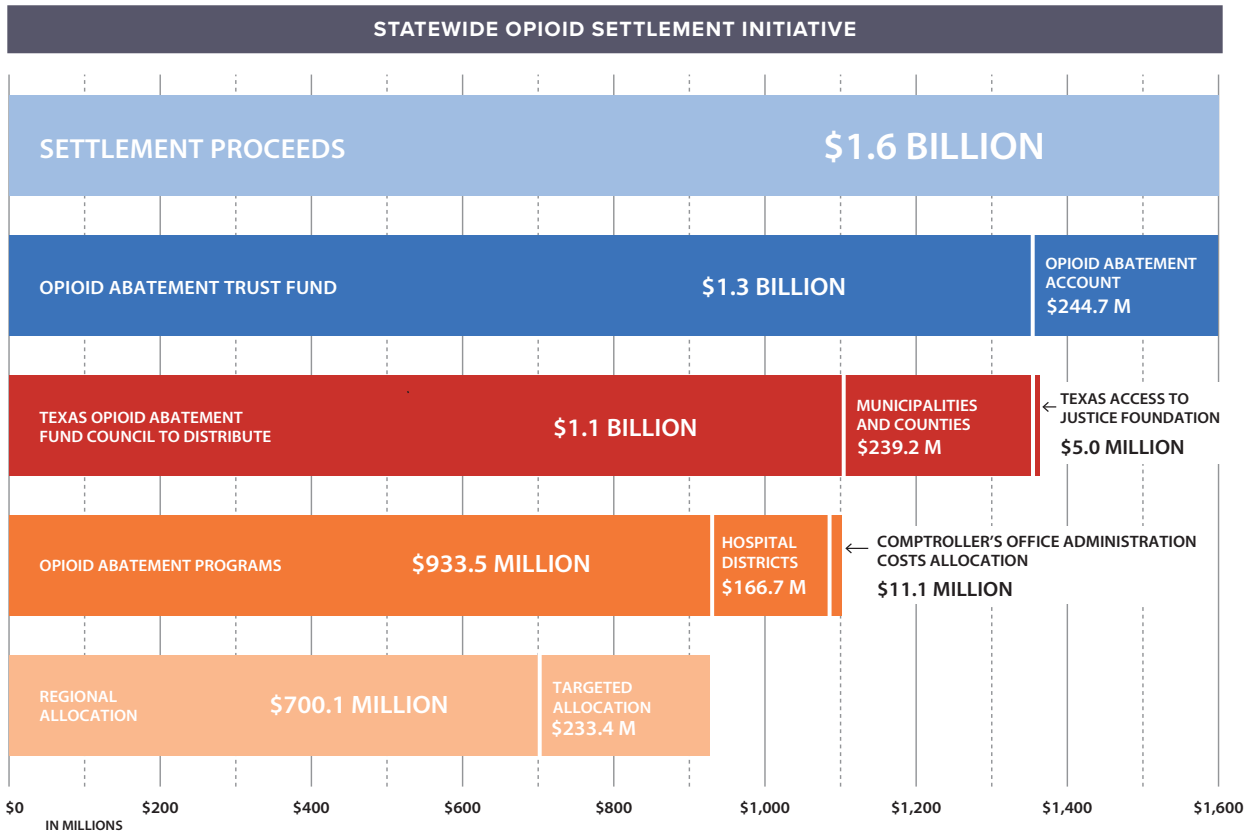
Of the estimated \$1.6 billion in settlement proceeds allocated to Texas, \$244.7 million is directed to the Opioid Abatement Account — a General Revenue-dedicated account that will fund state agency programs subject to legislative appropriation. The remaining \$1.3 billion in settlement funds is directed to the Opioid Abatement Trust Fund, administered by the Texas Treasury Safekeeping Trust Company. The council manages the distribution of \$1.1 billion in the abatement trust fund, with allocations determined by the settlement agreement and by state statute.

The council's distribution directives include \$166.7 million to hospital districts and \$11.1 million for Comptroller administration costs. The remainder, \$933.5 million, is distributed by the council, with 75 percent required to meet certain annual allocations among the 20 Texas Health and Human Services regional health care partnerships (\$700.1 million) and 25 percent to targeted programs (\$233.4 million).

Other abatement trust fund proceeds outside of the council's management include \$239.2 million to municipalities and counties and a one-time allocation of \$5 million to the Texas Access to Justice Foundation (**Exhibit 1**). On Nov. 15, 2022, the Trust Company transferred this payment to the foundation.

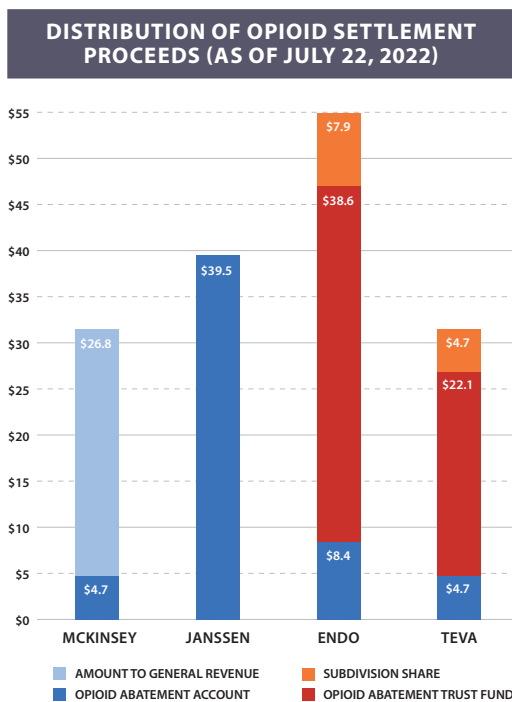
Texas Opioid Abatement Fund Council

EXHIBIT 1



Source: Texas Comptroller of Public Accounts

EXHIBIT 2



Source: Texas Comptroller of Public Accounts
 Note: Proceeds are net of Texas Office of the Attorney General (OAG) fees. The OAG received legal fees for its work representing the state.

After the required portions are distributed, the Texas Opioid Abatement Fund Council may allocate any remaining funds to existing programs using the evidence-based opioid abatement strategy it develops as a decision-making guideline.

As of July 22, 2022, the state had received \$130.6 million in settlement funds (Exhibit 2). A legislative appropriation is needed to move funds from the McKinsey settlement to accounts outside of General Revenue, as the agreement was finalized separately.

Since its creation, the council has met twice to inform its members on the opioid crisis and the funding allocated to address it. At the most recent meeting of the council in October, a panel of state agencies testified regarding actions their respective agencies were taking or planning to take in response to the crisis. The panel included the Texas Department of Public Safety (DPS), Texas Department of Family and Protective Services (DFPS), Texas Department of State Health Services (DSHS), Texas Health and Human Services Commission (HHSC), Texas Education Agency (TEA), Texas Department of Criminal Justice (TDCJ) and Texas Workforce Commission (TWC).

Associate Deputy Comptroller Korry Castillo spoke about the potential breadth of the council's response to the opioid epidemic at a recent event.

"These initiatives could reflect the full spectrum of opioid response projects — from preventing opioids entering our communities to

Texas Opioid Abatement Fund Council



Korry Castillo, Texas Comptroller of Public Accounts

treating Texans with opioid use disorder and supporting them in long-term recovery,” Castillo said. “These projects could also address the more far-reaching impacts of the opioid crisis by helping keep families together and preventing children from entering the foster care system. The council will consider all aspects of the opioid crisis, including its impact on our law enforcement, the criminal

justice system, individual and public health, and Texas families and communities, before establishing its priorities and granting funds.”

Educating the public on the effects of the opioid epidemic in Texas is just one step in long-term recovery for this crisis. To better understand the current efforts of relevant state agencies to combat the effects of the opioid epidemic and highlight the programs available to the public, a brief account of the testimonies from the October council meeting follows.

Texas Department of Public Safety

During the presentation by Col. Steven McCraw, DPS director, the council raised questions about the possibility of redefining the punishment for illegal opioid possession. The current law states that a person possessing any opioid listed in the penalty groups can be charged anywhere from a Class B misdemeanor to a first degree felony. The charge depends on the amount of the opioid, the penalty group it is classified under and whether there is intent to distribute the drugs. Any change to these laws, even if just to simplify the categorization of the opioids, would require state legislative action. McCraw also discussed drug smuggling along the border between Texas and Mexico.

Texas Department of Criminal Justice

Jason Clark, chief of staff for TDCJ, outlined the agency’s programs to address substance abuse among inmates and to prevent illicit drugs from entering correctional facilities.

“We are not only an agency designed to hold individuals accountable but to also provide opportunities where they can become better,” Clark said. “One component of public safety is helping justice-involved individuals battle their addiction to dangerous drugs like fentanyl. The agency provides robust programming through probation departments, within correctional facilities and in communities after individuals are released from custody.”

Texas Health and Human Services Commission

The HHSC testified about programs currently provided by the agency supporting substance abuse services to communities,

including the Texas Targeted Opioid Response Program. This program aims to increase access to medications associated with opioid use disorder and to decrease opioid overdose-related deaths through use of evidence-based prevention, integration, treatment and recovery support services.

Texas Department of State Health Services

The DSHS provided the council with educational materials and highlighted how the agency uses the Texas Health Data website to communicate with the public. The site provides current data on overdose deaths, opioid-related emergency visits and the Texas Prescription Monitoring Program.

Texas Education Agency

TEA discussed its approach to the crisis, which involves outreach to school officials and districts to educate them on the dangers of fentanyl so they can incorporate that information into existing anti-drug curricula for students and their families.

Alejandro Delgado, deputy commissioner for TEA, underlined the communications potential of his agency.

“TEA has the potential to reach more than 1,200 school systems, nearly 9,000 campuses, 750,000 school personnel, and more than 5.4 million students and their families with information and resource dissemination,” Delgado said.

Texas Department of Family and Protective Services

The DFPS provided the council with information about addressing the crisis through expanded drug testing panels, caseworkers assistance and referrals to community-based centers. The agency contracts with local nonprofits, local governments and schools to provide voluntary services for families.

Texas Workforce Commission

The TWC presented its plan to develop and distribute content to raise awareness of the dangers associated with fentanyl and other opioids, including posters, emails and digital signage for local workforce development boards and the TWC website.

Michael Treyger, the deputy division director for TWC, addressed the council.

“[In October,] the Texas Workforce Commission, in partnership with the Office of the Governor and other state agencies, launched a collaborative awareness campaign to address the growing fentanyl crisis,” Treyger said. “The unified effort revolves around a simple message: #OnePillKills. TWC’s multi-channel messaging campaign, aimed at employers, employees, families and service providers, offers facts, highlights the impact of opioids and provides access to resources to be aware and be prepared.”

What are Opioids?

According to Johns Hopkins Medicine, some opioids can be derived from the naturally occurring compounds found in the opium poppy plant or be synthetically created by humans, but both types can cause the human brain to experience a range of effects. Opioids include legally prescribed drugs like OxyContin® and Vicodin®, as well as the illegally made versions of synthetic fentanyl and heroin.

Prescription opioids are used to treat patients with moderate to severe pain, and they work by blocking pain signals between the brain and body. When used as prescribed, opioids can be considered a safe short-term option for patients; many people, however, abuse them because of their euphoric effects. The illegal synthetic opioids, like fentanyl, act similarly to the prescribed version

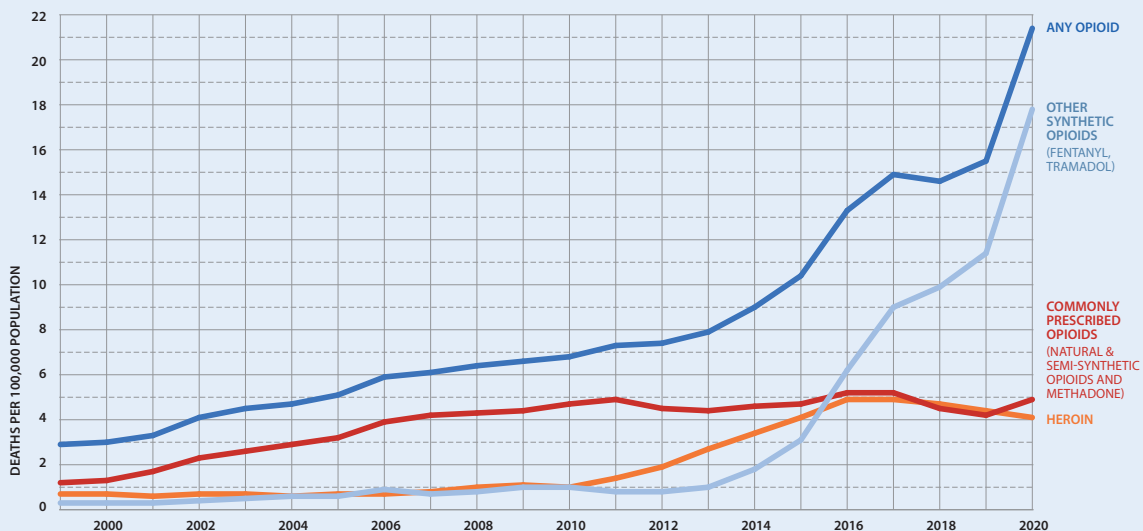
but are not set dosages, and are sometimes mixed with other drugs, making them extremely dangerous to use.

Frequent use, even as prescribed, can lead to the body becoming dependent and addicted to the drugs. The long-term usage of an opioid results in the body becoming tolerant to a dosage level and causes many addicts to start increasing their dosage, which can lead to an opioid overdose.

The United States currently faces an opioid epidemic, with 187 people dying daily due to opioid overdose and nearly 75 percent of drug overdoses in 2020 involving a form of opioid (**Exhibit 3**). Texas also faces the epidemic, with 1,612 deaths from fentanyl in 2021 compared with 886 deaths in 2020.

EXHIBIT 3

OVERDOSE DEATH RATES INVOLVING OPIOIDS, BY TYPE, UNITED STATES, 1999-2020



Source: CDC/NCHS, National Vital Statistics System, Mortality

ONGOING FIGHT AGAINST THE OPIOID EPIDEMIC

Using information on state agencies' opioid crisis initiatives, council members can create an evidence-based strategy moving forward and potentially find projects to build

upon. Comptroller Glenn Hegar reaffirmed this game plan, committing to creating processes and procedures to guide future funding decisions and maximizing the impact of opioid settlement dollars. Hegar also praised state agencies for taking the crisis seriously and using available resources to actively fight the epidemic on multiple fronts. **FN**

For more information about the Texas Opioid Abatement Fund Council and statewide opioid settlement initiatives, visit comptroller.texas.gov/programs/opioid-council.

NET STATE REVENUE – ALL FUNDS, EXCLUDING TRUST

Monthly and Year-to-Date Collections: Percent Change from Previous Year (IN THOUSANDS)

This table presents data on net state revenue collections by source. It includes most recent monthly collections, year-to-date (YTD) totals for the current fiscal year and a comparison of current YTD totals with those in the equivalent period of the previous fiscal year. These numbers were current at press time. For the most current data as well as downloadable files, visit comptroller.texas.gov/transparency.

Note: Texas' fiscal year begins on Sept. 1 and ends on Aug. 31.

1. Includes public utility gross receipts assessment, gas, electric and water utility tax and gas utility pipeline tax.

2. Includes taxes not separately listed, such as taxes on oil well services, coin-operated amusement machines, cement and combative sports admissions as well as refunds to employers of certain welfare recipients.

3. Includes various health-related service fees and rebates that were previously in "license, fees, fines and penalties" or in other non-tax revenue categories.

4. Gross sales less retailer commission and the smaller prizes paid by retailers.

Notes: Totals may not add due to rounding. Excludes local funds and deposits by certain semi-independent agencies. Includes certain state revenues that are deposited in the State Treasury but not appropriated.

TAX COLLECTIONS BY MAJOR TAX	DECEMBER 2022	YEAR TO DATE: Total	YEAR TO DATE: Change from Previous Year
SALES TAX	\$3,934,122	\$15,394,901	12.60%
<i>Percent Change from December 2021</i>	10.54%		
MOTOR VEHICLE SALES AND RENTAL TAXES	\$566,210	\$2,295,170	7.30%
<i>Percent Change from December 2021</i>	6.63%		
MOTOR FUEL TAXES	\$317,072	\$1,288,575	0.01%
<i>Percent Change from December 2021</i>	1.75%		
FRANCHISE TAX	-\$80,389	\$156,167	191.01%
<i>Percent Change from December 2021</i>	10.85%		
OIL PRODUCTION TAX	\$516,239	\$2,182,449	26.07%
<i>Percent Change from December 2021</i>	14.81%		
INSURANCE TAXES	\$13,629	\$147,216	35.99%
<i>Percent Change from December 2021</i>	-57.34%		
CIGARETTE AND TOBACCO TAXES	\$91,020	\$381,858	-2.42%
<i>Percent Change from December 2021</i>	-17.36%		
NATURAL GAS PRODUCTION TAX	\$371,221	\$1,670,069	40.97%
<i>Percent Change from December 2021</i>	-3.29%		
ALCOHOLIC BEVERAGES TAXES	\$136,533	\$576,157	11.64%
<i>Percent Change from December 2021</i>	10.12%		
HOTEL OCCUPANCY TAX	\$57,907	\$253,003	24.06%
<i>Percent Change from December 2021</i>	43.87%		
UTILITY TAXES¹	\$793	\$168,508	24.24%
<i>Percent Change from December 2021</i>	50.19%		
OTHER TAXES²	\$20,133	\$88,329	-297.99%
<i>Percent Change from December 2021</i>	42.43%		
TOTAL TAX COLLECTIONS	\$5,944,490	\$24,602,403	15.07%
<i>Percent Change from December 2021</i>	8.41%		

REVENUE BY SOURCE	DECEMBER 2022	YEAR TO DATE: Total	YEAR TO DATE: Change from Previous Year
TOTAL TAX COLLECTIONS	\$5,944,490	\$24,602,403	15.07%
<i>Percent Change from December 2021</i>	8.41%		
FEDERAL INCOME	\$5,420,056	\$23,103,569	6.28%
<i>Percent Change from December 2021</i>	13.71%		
LICENSES, FEES, FINES AND PENALTIES	\$468,538	\$2,142,177	0.39%
<i>Percent Change from December 2021</i>	3.77%		
STATE HEALTH SERVICE FEES AND REBATES³	\$383,144	\$4,947,806	108.66%
<i>Percent Change from December 2021</i>	-25.74%		
NET LOTTERY PROCEEDS⁴	\$216,848	\$1,074,544	8.78%
<i>Percent Change from December 2021</i>	-20.09%		
LAND INCOME	\$353,839	\$1,622,968	23.52%
<i>Percent Change from December 2021</i>	-8.23%		
INTEREST AND INVESTMENT INCOME	\$314,871	\$864,728	127.03%
<i>Percent Change from December 2021</i>	225.12%		
SETTLEMENTS OF CLAIMS	\$434,802	\$444,725	-7.28%
<i>Percent Change from December 2021</i>	-6.04%		
ESCHEATED ESTATES	\$14,554	\$57,521	-21.29%
<i>Percent Change from December 2021</i>	-37.99%		
SALES OF GOODS AND SERVICES	\$17,047	\$88,400	-21.41%
<i>Percent Change from December 2021</i>	-47.39%		
OTHER REVENUE	\$115,707	\$639,185	-33.94%
<i>Percent Change from December 2021</i>	-6.16%		
TOTAL NET REVENUE	\$13,683,895	\$59,588,025	14.73%
<i>Percent Change from December 2021</i>	8.49%		



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