

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

February 24, 2003

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB917 by Eiland (Relating to the authority of counties and municipalities to incur debt to participate in erosion response projects undertaken by the General Land Office.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 421, Local Government Code, to allow a commissioners court or a municipal authority to incur debt in order to participate in an erosion response project undertaken by the General Land Office or to undertake or contribute to funding shoreline or beach renourishment projects on Texas bays or public beaches. The bill would take effect immediately if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2003.

Under current statute, participants in a Coastal Erosion Planning and Response Act (CEPRA) project are required to fund at least 15 percent of the project in which they are participating. According to the General Land Office (GLO), CEPRA projects are very costly, often as much as \$1 million, making it cost-prohibitive for local governments to participate. Provisions of the bill would provide a funding mechanism for counties and municipalities that may choose to participate in a CEPRA project by allowing them to incur debt.

Local Government Impact

There are 11 counties which are located on the Texas shoreline, and therefore to which the provisions of the bill could apply. The bill could apply to cities located along or near the coast within those counties.

Because the bill would allow counties or municipalities to incur debt to be able to participate in an erosion response project, if they were to choose to participate and to incur debt, there would be no impact to their operational budget. The level of debt incurred would depend upon the overall cost of the project; however, the amount of debt would be at least 15 percent of the total cost of the project. Based on an estimated minimum cost of \$1 million per project, the debt incurred would be \$150,000.

Source Agencies: 305 General Land Office And Veterans' Land Board

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