

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 10, 2003

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1231 by Geren (Relating to management of the Gulf Intracoastal Waterway.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1231, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

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

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from STATE HIGHWAY FUND 6
2004	(\$55,863,000)
2005	(\$51,768,600)
2006	(\$41,134,200)
2007	(\$51,768,600)
2008	(\$59,545,200)

Fiscal Analysis

The bill would amend the Transportation Code to remove language prohibiting the Transportation Commission (TTC) from acquiring any property for use as a disposal site for dredged material before September 1, 2005, if the property was subject to a habitat conservation plan on October 1, 1977. The bill would also prohibit the TTC from condemning any property for dredge material disposal and would allow the TTC to contract with a landowner for the use of land as a disposal site for dredged material. The bill would provide guidelines for open bay disposal of dredged material, require that open bay disposal of dredged materials only take place from November to January unless geotubes are used, and allow the TTC to establish a fee, by rule, for barges that use the Gulf Coast Intracoastal Waterway (GIWW) on a per ton basis. The bill would also repeal the section of current law requiring the definition a "habitat conservation plan" to be applied to the GIWW in accordance with the Transportation Code. This bill would take effect September 1, 2003.

Methodology

Based on information provided by the Texas Department of Transportation (TxDOT), dredging disposal costs of approximately \$55.9 million in the first year; \$51.8 million in the second year and fourth years; \$41.1 million the third year; and \$59.5 million in the fifth year are estimated for required dredging activities along GIWW through fiscal year 2008. TxDOT estimates costs would result from being unable to obtain land for upland disposal sites; barging dredged material to the Gulf of Mexico; and having to use open bay disposal methods with geotubes. TxDOT estimates an average upland disposal site would cost approximately \$300,000 per site (based on \$1,500 per acre for a 200 acre site) and that each disposal site would be usable for 30 to 50 years.

This analysis considers that TxDOT would use geotube open bay disposal methods at 68 of the current 134 disposal sites along the GIWW due to dredging cycles; that costs of approximately \$3.7 million (\$300 per 12,274 foot perimeter area) would be realized for each site requiring geotubes; that no cost would be realized for open water disposal of dredge material in 66 sites where no geotubes would be required; that barging would be required for disposing of dredge material from the 10 mile stretch from High Island to Port Bolivar due to the width of the GIWW in this area; that barging costs of \$6 per cubic yard would be realized along the 5 mile distance from High Island to Gilchrist (Reach 1) and \$3 per cubic yard would be realized along the 5 mile distance from Crystal Beach to Port Bolivar (Reach 2) as a result of the distance that barges would have to travel to reach disposal sights in the Gulf of Mexico; and that 500 cubic yards of dredge material would be disposed of every year from Reach 2 and every other year from Reach 1 (in fiscal years 2005 and 2007) due to dredging cycles. This analysis also considers current appropriations in the amount of \$870,000 to TxDOT in the first year and \$600,000 in the second year of the biennium for the purposes of providing dredge disposal sites.

TxDOT does not currently anticipate that the TTC would assess a fee for use of the GIWW due to estimated conflicts with federal law regarding interstate commerce.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller Of Public Accounts, 601 Department Of Transportation

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