

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Anna Mowery, Chair, House Committee on Land & Resource Management

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2096 by Bonnen (Relating to the removal and disposal of certain vessels and structures in certain locations; providing penalties.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill amends provisions of the Natural Resources Code relating to derelict vessels and structures by expanding the authority of the Land Commissioner to deal with such vessels and structures. The bill also directs any revenue from fines, penalties, grants, gifts, and salvage income all associated with the abandoned vessels to be deposited into the General Revenue-Dedicated Coastal Protection Account No. 027 to be used by the commissioner for the removal or disposal of these derelict vessels and structures.

The bill also requires persons participating in the shrimp license buyback program to execute a contract that specifies that they will not abandon or dispose of any vessel in violation of state law, and that they will forfeit any funds received under the buyback program if the Land Commissioner finds that their vessel was abandoned in violation of state law. Any funds forfeited would be deposited to the credit of the Coastal Protection Account No. 027.

The GLO anticipates there to be approximately 400 abandoned vessels in need of removal and anticipates the cost to remove these vessels to be \$100,000 a fiscal year. The agency also anticipates there being very little revenue generated, approximately \$5,000 a fiscal year, from fines and salvage income from these vessels as the majority of these vessels have considerable rust and storm damage rendering them virtually worthless. There will be no significant fiscal impact, however, should this bill become law because the GLO anticipates being able to absorb the additional costs associated with the removal program not covered by new revenue (approximately \$95,000) within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, WK, ZS, JF