

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 6, 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 a penalty.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2096, As Introduced: a negative impact of (\$190,000) through the biennium ending August 31, 2007.

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
2006	(\$95,000)
2007	(\$95,000)
2008	(\$95,000)
2009	(\$95,000)
2010	(\$95,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>New GR-Dedicated Derelict Vessel Removal Account</i>	Probable Savings/(Cost) from <i>New GR-Dedicated Derelict Vessel Removal Account</i>	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND 1</i>
2006	\$5,000	(\$5,000)	(\$95,000)
2007	\$5,000	(\$5,000)	(\$95,000)
2008	\$5,000	(\$5,000)	(\$95,000)
2009	\$5,000	(\$5,000)	(\$95,000)
2010	\$5,000	(\$5,000)	(\$95,000)

Fiscal Analysis

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 establishes a new General Revenue–Dedicated Derelict Vessel Removal Account comprised of revenue from fines, penalties, grants, gifts, and salvage income all associated with the abandoned vessels to be used by the commissioner for the removal or disposal of these derelict vessels and structures. This new General Revenue-Dedicated Account would be subject to funds consolidation review by the Legislature.

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 new General Revenue-Dedicated Derelict Vessel Removal Account.

**Methodology**

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 per fiscal year.

The agency also anticipates there being very little revenue generated from fines and salvage income from these vessels as the majority of these vessels have considerable rust and storm damage rendering them virtually worthless. The GLO anticipates the revenue deposited to the new General Revenue-Dedicated Derelict Vessel Removal Account to be approximately \$5,000 a fiscal year. It is assumed that the additional funding needed to remove and dispose of the derelict vessels will come out of the General Revenue Fund.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 305 General Land Office and Veterans' Land Board, 582 Commission on Environmental Quality, 802 Parks and Wildlife Department

**LBB Staff:** JOB, WK, ZS, JF