

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 5, 2005**

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

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

**IN RE: HB3128** by Eiland (Relating to funding of coastal erosion response activities and the coastal management program; imposing a fee. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3128, Committee Report 1st House, Substituted: an impact of \$0 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	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Coastal Erosion Response Subaccount in COASTAL PROTECTION ACCT 27</i>
2006	\$13,638,000
2007	\$15,139,000
2008	\$15,403,000
2009	\$15,673,000
2010	\$15,947,000

**Fiscal Analysis**

The bill would amend Chapters 33 and 40 of the Natural Resources Code to create the Coastal Erosion Response Subaccount within the General Revenue-Dedicated Coastal Protection Account No. 027 and authorize revenue in the account, up to \$32 million per biennium, to be used for coastal erosion control and coastal management programs. All revenues from fees under this bill would be deposited to the new subaccount; and the revenues in the new subaccount would not count toward the limits imposed on General Revenue-Dedicated Coastal Protection Account No. 027.

The bill would also establish a waste tire fee of \$0.75 for each new automobile or truck tire sold with a rim diameter greater than 12 inches and for each motorcycle tire regardless of the rim diameter. The

fee would not apply to off-the-road tires intended for use on heavy machinery and the retail tire dealer could retain 2.5 cents of each fee collected for administrative expenses.

### **Methodology**

The revenue estimate for the waste tire recycling fee was based on Texas Commission on Environmental Quality data for projected tire consumption. Since monthly remittances would be for fees collected in the previous month, revenue generated in fiscal 2006 would represent only 11 months of collection, rather than 12. The estimate for the 2006-07 biennium is \$28.8 million.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated. However, a dedicated source of funding for coastal erosion control projects would benefit coastal communities to the extent that these funds result in the State of Texas receiving additional federal funds for coastal erosion projects.

**Source Agencies:** 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board

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