

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 13, 2005

TO: Honorable Mike Jackson, Chair, Senate Committee on S/C on Agriculture & Coastal Resources

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

IN RE: SB1560 by Lucio (Relating to the funding of coastal erosion response activities and the coastal management program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1560, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.
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Appropriations:

Fiscal Year	Appropriation out of <i>COASTAL PROTECTION ACCT</i> <i>27</i>
2006	\$2,000,000
2007	\$0

General Revenue-Related Funds, Two-Year Impact:

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

Fiscal Analysis

The bill amends various sections of the Natural Resources Code. The bill specifies that a qualified project partner must pay a share of the costs for removal of debris or removal/relocation of structures from a public beach. The bill also creates the Coastal Erosion Response Subaccount within the General Revenue-Dedicated Coastal Protection Account No. 027 and specifies that interest earned on the Coastal Protection Account be deposited into the new subaccount. The bill provides that revenue in this new subaccount be used for coastal erosion control and coastal management programs. The bill also appropriates \$2,000,000 to the General Land Office (GLO) for administrative costs for the two-year period beginning September 1, 2005.

Any new account or subaccount created within the General Revenue Fund is subject to funds consolidation review by the current Legislature.

Methodology

According to the Comptroller's Biennial Revenue Estimate the amount of interest accruing to the Coastal Protection Account No. 027 that would be transferred into the new subaccount is \$325,000 each fiscal year. However, since the new account is a subaccount within the Coastal Protection Account No. 027, transferring interest earnings into the new subaccount would not result in a loss to

Coastal Protection Account No. 027.

Local Government Impact

The bill would result in a positive fiscal impact to those local governmental entities that apply for, are awarded, and accept a grant from the commission for removal of structures and debris from a public beach.

Source Agencies: 305 General Land Office and Veterans' Land Board, 582 Commission on Environmental Quality

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