

## **BILL ANALYSIS**

H.B. 2487  
By: Taylor  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Texas has the third longest coastline in the nation – 367 miles - and one of the highest rates of coastal erosion in the country. Texas is literally losing ground – around 235 acres per year of land along the Texas Gulf coast is lost due to coastal erosion, and erosion is removing additional land along the state's bays, estuaries and navigation channels. 64% of the Texas Gulf coast is eroding at rates of more than two feet per year, many places at more than 10 feet per year. While it is not feasible to battle erosion along the entire Texas coast, there are priority areas where erosion threatens public infrastructure, transportation and tourism.

In 1999, the Legislature passed the Coastal Erosion Planning & Response Act (CEPRA), and put the General Land Office in charge of its administration. CEPRA provides grant funding for beach restoration, shoreline protection, and dune restoration projects and related studies. CEPRA has funded 132 projects with \$44.6M dollars since FY2000. This state money has leveraged \$54M in local and federal resources for a total of \$98M dollars. Approximately 50% of CEPRA funding has gone to state and local parks or wildlife habitat restoration.

There is significant demand for the CEPRA program. In the last grant cycle, the GLO received over \$111 million in grant requests for \$7.3 million in available funding. Funding for the Coastal Resources division and CEPRA grants has been funded in the last two biennia by the Oil Spill Protection Fund. This funding source sunsets on September 1, 2007.

In addition to the CEPRA program, the Coastal Resources division of the General Land Office performs a wide range of activities required by state and federal law. These include:

- Reviewing and approving all construction permits on the Texas coast. This ensures that any new construction meets state law and minimizes impacts on the coast.
- Reviewing and approving all local government beach access and dune protection plans.
- Running two Permit Service Centers that provide technical assistance to individuals and businesses that need federal and state authorization for activities on the coast.
- Monitoring water quality near public beaches and notifying the public when water quality standards are exceeded.
- Coordinating the Coastal Impact Assistance Program. This program reviews grant applications from local governments and works with the federal government to develop a state-wide plan for the distribution of federal grant money generated by off shore oil and gas revenues.
- Implementing the Coastal Management Program (CMP), a federally required program to qualify for federal beach funds.
- Staffing for the Coastal Coordinating Council, a council of state agencies and public appointees to monitor and coordinate on coastal issues.

HB 2487 allows for funds in the coastal erosion response account, a special account within the general revenue fund, to be used for the administration of the Coastal Management Program, and allocates certain revenue received by this state under Section 8(g), Outer Continental Shelf Lands Act, and from the Limited Sales, Excise, and Use Tax Act to the General Land Office.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency or institution.

## **ANALYSIS**

SECTION 1: Amends Natural Resources Code § 33.604(a) to provide for dedication of money from the Coastal Erosion Response Account (Account) to administration of the Coastal Management Program (CMP) as well as CEPRA projects. In addition, §33.604(b) is amended to provide that the Account includes a portion of the sporting goods tax deposited to the account pursuant to Section 151.801 and one-third of the revenue received by the state under Section 8(g), Outer Continental Shelf Lands Act (43 U.S.C.A. Section 1337(g)).

SECTION 2: Amends Natural Resources Code, 33.605(a) concerning Uses of the Account to include administration of the CMP.

SECTION 3: Amends the Tax Code § 151.801 to add a new subsection (c-1) to dedicate 50% of the sporting goods sales tax collected from coastal counties to the coastal erosion response account. In addition, subsection (e) is amended to add a definition of “coastal counties” to include the 18 counties included in the coastal zone defined in the CMP.

SECTION 4: Exempts the coastal erosion response account from the provisions of Section 403.095, Government Code which would otherwise authorize the Comptroller to "sweep" dedicated accounts and use dedicated revenue for general governmental purposes.

SECTION 5: This Act takes effect September 1, 2007.

## **EFFECTIVE DATE**

September 1, 2007