

By: Isett

H.B. No. 3531

A BILL TO BE ENTITLED

AN ACT

relating to the composition and use of the coastal protection fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 40.151, Natural Resources Code, is amended by amending Subsections (a) and (b) and adding Subsections (b-1) and (b-2) to read as follows:

(a) The purpose of this subchapter is to provide immediately available funds for response to all unauthorized discharges, for cleanup of pollution from unauthorized discharges of oil, for payment of damages from unauthorized discharges of oil, for the coastal management program, for coastal wetland acquisition, for coastal protection and improvement projects, [and] for erosion response projects, and for state implementation of the coastal impact assistance program established under Section 31, Outer Continental Shelf Lands Act (43 U.S.C. Section 1356a).

(b) The coastal protection fund is established in the state treasury to be used by the commissioner as a nonlapsing revolving fund only for carrying out the purposes of this chapter, Subchapters F, G, [and of Subchapter] H, and I, Chapter 33, and state administration of the coastal impact assistance program established under Section 31, Outer Continental Shelf Lands Act (43 U.S.C. Section 1356a). To this fund shall be credited all fees, penalties, judgments, reimbursements, proceeds from the sale of a vessel or structure removed under Section 40.108, money forfeited

1 under Section 77.119(e), Parks and Wildlife Code, fees collected
2 under Section 2210.3601, Insurance Code, interest or income on the
3 fund, and charges provided for in this chapter and the fee revenues
4 levied, collected, and credited pursuant to this chapter.

5 (b-1) In addition to the sources of revenue provided by
6 Subsection (b), the fund shall be credited with one-third of any
7 revenue received by this state under Section 8(g), Outer
8 Continental Shelf Lands Act (43 U.S.C. Section 1337(g)).

9 (b-2) The fund shall not exceed \$50 million.

10 SECTION 2. Section 40.152, Natural Resources Code, is
11 amended by amending Subsection (a) and adding Subsection (d) to
12 read as follows:

13 (a) Money in the fund may be disbursed for the following
14 purposes and no others:

15 (1) administrative expenses, personnel and training
16 expenses, and equipment maintenance and operating costs related to
17 implementation and enforcement of this chapter;

18 (2) response costs related to abatement and
19 containment of actual or threatened unauthorized discharges of oil
20 incidental to unauthorized discharges of hazardous substances;

21 (3) response costs and damages related to actual or
22 threatened unauthorized discharges of oil;

23 (4) assessment, restoration, rehabilitation, or
24 replacement of or mitigation of damage to natural resources damaged
25 by an unauthorized discharge of oil;

26 (5) in an amount not to exceed \$50,000 annually, the
27 small spill education program;

1 (6) in an amount not to exceed \$1,250,000 annually,
2 interagency contracts under Section 40.302;

3 (7) the purchase of response equipment under Section
4 40.105 within two years of the effective date of this chapter, in an
5 amount not to exceed \$4 million; thereafter, for the purchase of
6 equipment to replace equipment that is worn or obsolete;

7 (8) other costs and damages authorized by this
8 chapter;

9 (9) activities ~~[in an amount not to exceed the~~
10 ~~interest accruing to the fund annually, erosion response projects]~~
11 under Subchapters F, G, [Subchapter] H, and I, Chapter 33; [and]

12 (10) in conjunction with the Railroad Commission of
13 Texas, costs related to the plugging of abandoned or orphaned oil
14 wells located on state-owned submerged lands; and

15 (11) state administration of the coastal impact
16 assistance program established under Section 31, Outer Continental
17 Shelf Lands Act (43 U.S.C. Section 1356a).

18 (d) Notwithstanding Subsection (a):

19 (1) fees imposed under Section 40.154 may be disbursed
20 only for the purposes of this chapter;

21 (2) revenue credited to the fund under Section
22 40.151(b-1) of this code and Section 2210.3601, Insurance Code, may
23 be disbursed only for the purposes of:

24 (A) Subchapters F, G, H, and I, Chapter 33; and

25 (B) state administration of the coastal impact
26 assistance program established under Section 31, Outer Continental
27 Shelf Lands Act (43 U.S.C. Section 1356a); and

1 (3) revenue credited to the fund under Section 40.171
2 may be disbursed only for erosion response projects under
3 Subchapter H, Chapter 33, that directly benefit commercial vessels
4 that dock at ports operated by port authorities or navigation
5 districts in this state.

6 SECTION 3. Section 40.153, Natural Resources Code, is
7 amended to read as follows:

8 Sec. 40.153. REIMBURSEMENT OF FUND. The commissioner
9 shall recover to the use of the fund, either from persons
10 responsible for the unauthorized discharge or otherwise liable or
11 from the federal fund, jointly and severally, all sums owed to or
12 expended from the fund. This section does not apply to sums
13 expended for erosion response projects under Subchapter H, Chapter
14 33 [Section 40.152(a)(9)].

15 SECTION 4. Subchapter D, Chapter 40, Natural Resources
16 Code, is amended by adding Section 40.171 to read as follows:

17 Sec. 40.171. COMMERCIAL VESSEL DOCKING FEE. (a) Each port
18 authority or navigation district shall impose a fee of \$150 on each
19 owner or operator of a commercial vessel with a draft of at least 18
20 feet each time the vessel docks at the port operated by the port
21 authority or navigation district.

22 (b) A port authority or navigation district that collects a
23 fee under Subsection (a) shall remit the amount of the fee to the
24 comptroller.

25 (c) A port authority or navigation district that makes a
26 timely payment to the comptroller of the amount of a fee collected
27 under Subsection (a) is entitled to retain an amount equal to one

1 percent of the amount of the fee collected to cover the port
2 authority's or navigation district's administrative expenses.

3 (d) The comptroller shall deposit the amount of the fees
4 collected to the credit of the coastal protection fund as provided
5 by Section 40.151.

6 (e) The comptroller shall adopt rules necessary for the
7 administration, collection, reporting, and payment of the fee.

8 SECTION 5. Subchapter H, Chapter 2210, Insurance Code, is
9 amended by adding Section 2210.3601 to read as follows:

10 Sec. 2210.3601. SURCHARGE AGAINST CERTAIN POLICIES. (a)
11 The commissioner shall assess and collect a \$20 surcharge for each
12 policy issued by the association for coverage of property located
13 in a first tier coastal county.

14 (b) The surcharge shall be paid as required by the
15 commissioner by rule.

16 (c) The commissioner shall remit all revenue from the
17 surcharge assessed and collected under this section to the
18 comptroller for deposit to the credit of the coastal protection
19 fund as provided by Section 40.151, Natural Resources Code.

20 SECTION 6. (a) Section 40.171, Natural Resources Code, as
21 added by this Act, applies only to a vessel that docks at a port on
22 or after the effective date of this Act.

23 (b) Section 2210.3601, Insurance Code, as added by this Act,
24 applies only to an insurance policy that is delivered, issued for
25 delivery, or renewed on or after January 1, 2008. An insurance
26 policy that is delivered, issued for delivery, or renewed before
27 January 1, 2008, is covered by the law in effect at the time the

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1 policy was delivered, issued for delivery, or renewed, and that law
2 is continued in effect for that purpose.

3 SECTION 7. This Act takes effect September 1, 2007.