

## **BILL ANALYSIS**

C.S.H.B. 3971  
By: Ritter  
Land & Resource Management  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

To protect the state's natural resources and mitigate coastal erosion, the Texas Legislature enacted the Coastal Erosion Planning and Response Act (CEPRA) in 1999. Because of many factors, it is important for Texas that a permanent funding source be created for erosion response projects undertaken pursuant to CEPRA, as well as the coastal management program (CMP).

C.S.H.B. 3971 provides a permanent funding source for CEPRA projects and to administer the Texas CMP by increasing the coastal protection fee from 1-1/3 to 3-1/2 cents per barrel levied on crude oil transferred to or from marine terminals on the Texas coast and makes other conforming and necessary changes to relevant state law.

### **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**

C.S.H.B. 3971 amends the Natural Resources Code to add the Coastal Coordination Act to the purposes for which the coastal protection fund is established to carry out. The bill removes the \$50 million limitation on the amount authorized to be in the fund.

C.S.H.B. 3971 specifies that money in the fund is authorized to be disbursed for costs necessary to administer the coastal management program and removes the limitation on the amount of the fund authorized to be disbursed for erosion response projects to an amount not to exceed the interest accruing to the fund annually. The bill makes a conforming change to include the coastal management program among the express purposes for which the coastal protection fund provides immediately available funds.

C.S.H.B. 3971 increases from 1-1/3 to 3-1/2 cents per barrel of crude oil the rate of the coastal protection fee levied under provisions of the Oil Spill Prevention and Response Act of 1991, except as otherwise provided. The bill removes the restriction on the collection of the fee on commissioner certification that the unencumbered balance in the fund has reached \$20 million. The bill makes conforming changes relating to the commissioner's certification and resumption of collection of the fee. The bill increases from 4 to 6-1/2 cents per barrel the amount of the fee levied if the commissioner of the General Land Office certifies to the comptroller of public accounts a written finding of facts relating to the unencumbered balance of the fund, an unauthorized discharge of oil in excess of 100,000 gallons, and expenditures expected to deplete the fund.

C.S.H.B. 3971 repeals Section 40.156(c), Natural Resources Code, relating to reinstatement of the coastal protection fee in the event of emergency.

### **EFFECTIVE DATE**

September 1, 2009.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 3971 differs from the original by increasing the rates of the coastal protection fee, removing the limitation on the amount of money authorized to be in the coastal protection fund,

adding the coastal management program and the purposes of the Coastal Coordination Act among purposes for which the coastal protection fund is established, and removing restrictions on the collection of the fee based on the unencumbered balance of the fund, whereas the original added credits made to the General Land Office under provisions of the Tax Code relating to the disposition of proceeds from taxes on the sale, storage, or use of sporting goods to the money comprising the coastal erosion response account, reduced from 94 percent to 74 percent the amount of proceeds from such taxes credited to the Parks and Wildlife Department, and provided for 20 percent of those proceeds to be credited to the General Land Office.