

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 31, 2009

TO: Honorable Dennis Bonnen, Chair, House Committee on Land & Resource Management

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

IN RE: HB3986 by Bonnen (Relating to the closure of manmade passes between the Gulf of Mexico and Inland Bays.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3986, As Introduced: a negative impact of (\$5,850,000) through the biennium ending August 31, 2011.

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
2010	(\$6,000,000)
2011	\$150,000
2012	\$150,000
2013	\$150,000
2014	\$150,000

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Savings from <i>Sporting Goods Tax-State</i> 400
2010	(\$6,000,000)	\$0
2011	\$0	\$150,000
2012	\$0	\$150,000
2013	\$0	\$150,000
2014	\$0	\$150,000

Fiscal Analysis

The bill would amend the Natural Resources Code relating to the closure of manmade passes between the Gulf of Mexico and inland bays. The bill would authorize the Commissioner of the Land Office to close Rollover Pass, located in a narrow section of the Bolivar Peninsula adjacent to the Gulf of Mexico, if the Commissioner determines that the manmade pass causes or contributes to significant erosion to the adjacent beach shoreline, and the General Land Office receives funding for this purpose. The bill would take effect September 1, 2009.

Methodology

The General Land Office (GLO) indicates it would contract with a third party vendor for engineering, design, permitting and actual project construction. Closure would be accomplished by pumping in

sand and completing shore protection on the Gulf of Mexico side of the project for an estimated cost of \$6.0 million from General Revenue. The GLO indicates a vendor has provided a bid of \$6.0 million for the proposal, which covers 300,000 cubic yards of sand, barge and crane crew and equipment for 60 days, rock plug stabilization during construction, and all other necessary environmental contingency, engineering and permitting estimates to complete the project.

In addition, starting in fiscal year 2011 and each year thereafter, the closure of Rollover Pass, will result in savings of an estimated \$150,000 per fiscal year in the Sporting Goods Sales Tax Transfer to the General Revenue-Dedicated State Parks Account No. 64, due to the reduced need for GLO dredging activities. These amounts are passed through from the Texas Parks and Wildlife Department to GLO for the GLO's Coastal Erosion Protection and Response Act (CEPRA) program activities.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 305 General Land Office and Veterans' Land Board, 802 Parks and Wildlife Department

LBB Staff: JOB, WK, ZS, TB, TL