

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 15, 2009

TO: Honorable Byron Cook, Chair, House Committee on Environmental Regulation

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

IN RE: HB4286 by Hunter (relating to the disposal of sewage by boats.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4286, Committee Report 1st House, Substituted: an impact of \$0 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	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>Game, Fish, Water Safety Ac</i> 9	Change in Number of State Employees from FY 2009
2010	(\$745,151)	2.0
2011	(\$78,820)	2.0
2012	(\$85,784)	2.0
2013	(\$85,784)	2.0
2014	(\$87,316)	2.0

Fiscal Analysis

The bill would amend the Water Code to authorize the Texas Commission on Environmental Quality (TCEQ) to issue rules concerning the disposal of sewage by boats operating on the surface waters of the state (up to three miles from shore) and to delegate the administration, enforcement, and certification of proper disposal to any agency with registration and enforcement capabilities. This analysis assumes TCEQ would delegate administration and performance of the certification functions to the Texas Parks and Wildlife Department (TPWD), an entity that has both registration and law enforcement capabilities.

The bill would allow the TCEQ or delegated authority to collect boat certification fees. The bill would change the name of the boat certificate to the boat pump-out station fee and change it from an annual to a biennial fee. The fees from the certification of the Marine Sanitation Device (MSD) for:

boats over 26 feet; houseboats; boats under 26 feet with a permanent device (MSD); as well as boat sewage pump out stations are to be deposited into the General Revenue-Dedicated Water Resources Management Account No. 153 for use by the commission or delegated authority.

The bill would also amend the Parks and Wildlife Code to provide TPWD with additional enforcement guidelines for Game Wardens, allowing wardens to board a boat and inspect a Marine Sanitation Device (MSD) upon suspicion of illegal dumping. The bill would become effective September 1, 2009.

Methodology

Certification Costs:

This analysis assumes that to carry out the certification function, the TPWD would require programming changes to the current Boat Registration Information and Titling System (BRITS). To implement these changes three contract employees will be needed for one year, at an estimated cost of \$626,400 in fiscal year 2010. Additionally, it is estimated that 1.0 FTE will be required to oversee the initial setup of the certification program and to administer the program as well as to ensure ongoing compliance after setup. Costs for this FTE are described below.

Enforcement Costs:

TPWD reports that its law enforcement personnel, as part of the wardens' standard course of duty currently enforce the illegal dumping of sewage from boats and issue citations as appropriate. However, the agency reports that personnel currently do not board a vessel and perform an inspection of the vessel's Marine Sanitation Device(s). Costs for this FTE are described below.

Total estimated costs for the 2.0 FTEs at TPWD (one program specialist paid \$44,734 to administer certification and one game warden paid \$46,800 after completing training to enforce compliance), including salary, office equipment, warden equipment, and related benefits is \$118,751 in fiscal year 2010, \$78,820 in fiscal year 2011, and \$85,784 in fiscal year 2012 with similar costs each year thereafter.

Certification Revenue:

The bill would add the saltwater areas of the Texas coast (up to three miles from shore) to the certification requirement which will include a biennial fee of \$15. TPWD indicates there are currently 3,108 of boats (with MSD), registered with the department in counties directly on the Gulf of Mexico. Assuming half of the additional boats file certification fees each year, new revenue from the saltwater provisions is estimated to be \$23,310 each fiscal year to the Water Resource Management Account No. 153 ($3,108/2 \times \$15$). This additional revenue is not anticipated to have a significant fiscal implication on receipts to the General Revenue-Dedicated Water Resource Management Account No. 153.

Local Government Impact

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

Source Agencies: 582 Commission on Environmental Quality, 802 Parks and Wildlife Department, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 710 Texas A&M University System Administrative and General Offices

LBB Staff: JOB, SZ, ZS, TB, TP, TL, SD