

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 8, 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.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4286, As Introduced: a negative impact of (\$285,238) 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	(\$160,619)
2011	(\$124,619)
2012	(\$124,619)
2013	(\$124,619)
2014	(\$124,619)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>General Revenue Fund</i> 1	Probable Savings/ (Cost) from <i>Game, Fish, Water Safety Ac</i> 9	Probable Savings/ (Cost) from <i>New General Revenue Dedicated--Clean Boating Account</i>	Probable Revenue Gain from <i>New General Revenue Dedicated--Clean Boating Account</i>
2010	(\$160,619)	(\$761,226)	(\$60,000)	\$60,000
2011	(\$124,619)	(\$100,000)	(\$60,000)	\$60,000
2012	(\$124,619)	(\$100,000)	(\$60,000)	\$60,000
2013	(\$124,619)	(\$100,000)	(\$60,000)	\$60,000
2014	(\$124,619)	(\$100,000)	(\$60,000)	\$60,000

Fiscal Year	Probable Revenue (Loss) from <i>Water Resource Management</i> 153
2010	(\$20,000)
2011	(\$20,000)
2012	(\$20,000)
2013	(\$20,000)
2014	(\$20,000)

Fiscal Year	Change in Number of State Employees from FY 2009
2010	4.0
2011	4.0
2012	4.0
2013	4.0
2014	4.0

Fiscal Analysis

The bill would authorize the Texas Commission on Environmental Quality (TCEQ) to issue rules concerning the disposal of sewage by boats operating on the waters of this state (up to three miles from shore). TCEQ would be authorized to delegate the administration, enforcement, and certification of the disposal of sewage from boats to the Texas Parks and Wildlife Department (TPWD) or any other agency with registration and enforcement capabilities.

The bill changes references to "inland waters of the state" to "state waters" with respect to TCEQ regulation over the disposal of sewage from boats by the TCEQ.

The bill would create a new General Revenue-Dedicated Account would be created called the Clean Boating Account. Fees from various sources would be directed to the new account including the following: boat certificates (which would be changed from an annual to a biennial fee), initial certificates for pump-out, pump-out renewals, marine sanitation devices (biennial), fees for boat over 26 feet or houseboat, and fees for boats 26 feet or less with permanent devices.

The bill would provide that the Clean Boating Account be used only be used for the following purposes: environmental education; supporting the Clean Texas Boater Program or Clean Texas Marina Program; or the enforcement of the disposal of sewage from boats.

The bill would amend portions of the Texas Parks and Wildlife Code providing additional enforcement guidelines for TPWD Game Wardens, allowing them to board a boat and inspect a MSD upon suspicion of illegal dumping.

The bill creates the Clean Boating Account and requires the TCEQ Office of Pollution and Prevention to establish a comprehensive outreach program for marina operators. If passed, the bill would take effect September 1, 2009.

Methodology

Passage of the bill would result in a loss of revenue to the Water Resource Management Account No. 153 of approximately \$20,000 per fiscal year, according to the Comptroller of Public Accounts, and a gain to the newly-created Clean Boating Account of approximately \$60,000 per fiscal year, according to the TDPW. The estimate for new revenues to the Clean Boating Account is based on approximately 3,000 boats located in saltwater areas not paying a \$15 annual fee (\$45,000 per fiscal year), the transfer of \$20,000 in registration fees annually from the Water Resource Management Account No. 153, and a loss of revenue from certificate fees of \$5,000 per fiscal year since the fee would be assessed biennially rather than annually.

The bill's use of the term "waters of the state" is a change from the current language "inland fresh waters." This would include all the bays on the coast and increase the number of potential permits holders in the state. The bill requires the boat certification fee to be collected biennially, rather than annually, thereby limiting the frequency of revenue collections.

The bill would redirect revenue currently going to the General Revenue-Dedicated Water Resource Management Account No. 153 for boat certification fees instead to the Clean Boating Account created by the bill.

For the TCEQ, the bill would require outreach, which is expected to result in increased travel costs associated with conducting conferences and individualized workshops regarding Clean Marina pollution prevention. Additional travel costs would accrue as TCEQ staff travel to river authorities, municipalities and public group settings to provide education and training. In addition, the TCEQ expects some additional database development would be needed. It is estimated that the TCEQ would require 2.0 FTEs and related costs of \$190,619 in fiscal year 2010 and \$154,619 in future years.

This estimate assumes that, as an entity that has registration and law enforcement capabilities, the administration and performance of the certification function will be assigned to the TPWD. The TPWD estimates that to carry out the certification function, the agency 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.

It is also estimated that the TPWD would need resources equal to 1.0 additional FTE because TPWD law enforcement personnel currently do not board vessels to inspect marine sanitation devices, but it is expected they would need to board to inspect that valves would be properly maintained and closed when within three miles of the coast.

Total estimated cost for the 2.0 FTEs at TPWD, including salary and basic office equipment (telephone, computer, consumables), is \$164,826 in fiscal year 2010 and approximately \$130,000 in future years.

This estimate assumes that one-half of the revenue deposited to the newly-created Clean Boating Account (\$30,000 per agency) would go to each the TCEQ and TDPW to administer the provisions of the bill. It is assumed that remaining TCEQ costs would be paid out of the General Revenue Fund while remaining TDPW costs would be paid out of the General Revenue-Dedicated

Local Government Impact

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

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

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