

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 8, 2009

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: SB1136 by Hegar (Relating to the designation by the commissioner of the General Land Office of critical coastal erosion areas for purposes of the coastal erosion response plan.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would authorize the land commissioner to designate critical coastal erosion areas as part of the state's coastal erosion response plan. In authorizing erosion studies and projects, the state plan must ensure that benefits are balanced among areas designated by the Land Commissioner as critical coastal erosion areas. The Land Commissioner would be authorized to conduct a coast-wide, cost-benefit analysis of coastal erosion avoidance, remediation and planning to determine areas that should be designated as critical erosion areas. This analysis would be used to guide the distribution of state resources to maximize their effectiveness. Analyses conducted for this purpose would include historic erosion rates, area elevation, critical infrastructure, population density, economic activity, critical natural resources and human contributions to erosion in a particular segment of the Texas coast. The Land Commissioner would also be authorized to consider other factors considered relevant.

The cost to the General Land Office of conducting the cost-benefit analysis is not expected to be significant. The designation of critical coastal erosion areas is not expected to increase the cost of performing coastal erosion control; rather, it is expected that the designations would provide a basis for more efficient use of funds. The extent to which the bill might result in a savings to the state would depend on the number of projects that would have otherwise been undertaken absent the cost-benefit analysis.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Some local governments in coastal areas could benefit from the loss of property and cleanup costs if the bill's passage would result in the most critical erosion areas being mitigated and protected as a result of the cost-benefit analysis.

Source Agencies: 305 General Land Office and Veterans' Land Board

LBB Staff: JOB, TL, SD