

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 23, 2009

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: SB1288 by West (Relating to the floodplain management account.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Water Code to change the Floodplain Management Account to the Floodplain Management Fund and would allow the Water Development Board (TWDB) to utilize interest earnings of the Fund.

The Floodplain Management Fund would provide a dedicated revenue source for TWDB to aid, advise, and coordinate the efforts of political subdivisions endeavoring to qualify for participation in the National Flood Insurance Program. The Fund would reallocate the first \$3.05 million of maintenance taxes collected under Chapter 252 of the Insurance Code collected by the Comptroller from the General Revenue Fund to the Floodplain Management Fund for this purpose.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Although the bill would reallocate the first \$3.05 million of maintenance taxes each fiscal year from General Revenue to the Floodplain Management Fund, it is assumed that TWDB's General Revenue appropriations would be reduced by \$2,809,562 in each fiscal year to correspond with this reallocation. Additionally, there would be a corresponding decrease of \$240,276 in benefits being paid from the General Revenue Fund for FTEs at TWDB related to the National Flood Insurance Program because these benefits would now be paid from the Floodplain Management Fund.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house; otherwise it would take effect September 1, 2009.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 580 Water Development Board, 304 Comptroller of Public Accounts

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