

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION
Revision 1

April 22, 2009

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

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

IN RE: SB2043 by Williams (Relating to the closure or modification of certain man-made passes between the Gulf of Mexico and inland bays by the commissioner of the General Land Office.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2043, As Engrossed: a negative impact of (\$1,350,000) 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	\$4,650,000
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 Revenue Gain from <i>General Revenue Fund</i> 1	Probable Savings from <i>Sporting Goods Tax-State</i> 400
2010	(\$6,000,000)	\$0	\$0
2011	\$0	\$4,500,000	\$150,000
2012	\$0	\$0	\$150,000
2013	\$0	\$0	\$150,000
2014	\$0	\$0	\$150,000

Fiscal Analysis

The bill would authorize the Land Commissioner to undertake the closure or modification of a man-made pass or its environs, 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 provide that should Rollover Pass be closed, the Commissioner and the Texas Parks and Wildlife Department shall work with the county and municipality, if applicable, to develop other local public recreational opportunities. The bill would take effect September 1, 2009.

Methodology

This estimate assumes the General Land Office (GLO) would determine that the Rollover Pass, a narrow section of the Bolivar Peninsula adjacent to the Gulf of Mexico, contributes to erosion and should be closed. For the closure, the 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. Because it is likely that 75 percent of the costs of the Rollover Pass project would be reimbursed by Federal Funds, this analysis shows a credit to General Revenue of \$4,500,000 in fiscal year 2011, although it should be noted that such funds have not been received or awarded at this time.

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.

Regarding the bill's provision that other public recreational opportunities be provided in mitigation to the county and municipality should Rollover Pass be closed, this analysis assumes that the local entities could apply for a local park grant from existing appropriations provided TPWD for this purpose, and that no additional funding would be needed for this provision.

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, SD, ZS, TL, CL, SZ, TB