

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 7, 2009

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on International Relations & Trade

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

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

Estimated Two-year Net Impact to General Revenue Related Funds for SB2043, As Introduced: a negative impact of (\$5,850,000) 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	\$150,000
2012	\$150,000
2013	\$150,000
2014	\$150,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Sporting Good Tax-State</i> 400
2010	(\$6,000,000)
2011	\$150,000
2012	\$150,000
2013	\$150,000
2014	\$150,000

Fiscal Analysis

The bill would authorize the Land Commissioner to close a manmade pass between the Gulf of Mexico and an inland bay if the land commissioner determines that such a pass contributes to significant erosion. The Land Commissioner's ability to close such a pass would be contingent upon receipt of legislative appropriations or other funding. The bill takes effect September 1, 2009.

Methodology

This estimate assumes that passage of the bill would result in the closure of Rollover Pass, located in a narrow section of the Bolivar Peninsula adjacent to the Gulf of Mexico, by the General Land Office (GLO), and it assumes the Legislature would appropriate funds for such purpose. This estimate assumes that the GLO would contract with a third party vendor for engineering, design, permitting and

actual project construction and that closure would be accomplished by pumping in sand and completing shore protection on the Gulf of Mexico side of project. Based on estimates provided by the GLO, total project cost is estimated at \$6,000,000 and would occur during fiscal year 2010.

This estimate assumes that the project would be funded by an increase in the transfer of estimated Sporting Goods Sales Tax (SGST) receipts to State Parks Account No. 64 (General Revenue-Dedicated) because this is the funding source for the GLO's Coastal Erosion Protection and Response Act (CEPRA) projects during the 2008-09 biennium. Statute does not allow GLO to receive direct funding from the General Revenue-Dedicated State Parks Account No. 64 nor does statute authorize GLO to receive a direct appropriation of the SGST allocation. These funds are appropriated to the Texas Parks and Wildlife Department (TPWD), but passed through to the GLO to fund CEPRA projects through an interagency contract. The actual funding source would depend on the method of finance chosen by the Legislature.

In addition, it is estimated that the closure of Rollover Pass would result in savings of approximately \$150,000 per year to the SGST Allocation to the State Parks Account No. 64 beginning in fiscal year 2011, due to a reduced need for annual dredging activities near the pass that are currently funded through the interagency contract with TPWD for CEPRA projects.

Local Government Impact

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

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

LBB Staff: JOB, CL, ZS, TL