

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 27, 2023

TO: Honorable Tracy O. King, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2416 by Paul (Relating to creation of the gulf coast protection trust fund to be administered by the General Land Office.), **As Introduced**

The fiscal implications of the bill cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Gulf Coast Protection Trust Fund and expenditures that would be made from the Trust Fund are unknown.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

This bill would amend the Natural Resources Code to create the Gulf Coast Protection Trust Fund ("Trust"). The Trust would be created outside of the treasury, with the Comptroller, and administered by the General Land Office and Veterans' Land Board (GLO). It would consist of gifts, grants, donations, and any other source designated by the Legislature. The Trust would be used to pay expenditures for the development of infrastructure necessary or useful for protecting the gulf coast within the Gulf Coast Protection District. The bill would allow the GLO to invest, reinvest, and direct the investment of any available funds within the Trust.

Based on information provided by GLO, this analysis anticipates that the fiscal impact to the state would be insignificant unless sufficient funds and/or revenues would be available and deposited within the Trust to invest or manage. If funding would be provided for the Trust, it is assumed that GLO would require funding and FTEs to manage and administer the funds in alignment with the provisions of the bill. Administrative costs for GLO cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Trust are unknown.

Based on information provided by the Comptroller of Public Accounts and GLO, the fiscal impact to the state cannot be determined because the timing and amount of funds and revenues that would be dedicated to the Trust and expenditures that would be made from the Trust are unknown.

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.

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

LBB Staff: JMc, KDw, MW, EJ, BRI, CSMI