

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 7, 2025

**TO:** Honorable Will Metcalf, Chair, House Committee on Culture, Recreation & Tourism

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4538** by Paul (Relating to the transfer by the Parks and Wildlife Department to the General Land Office of a portion of the revenue derived from vessel registration fees to cover the cost of removing derelict vessels from waterways.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4538, As Introduced: an impact of \$0 through the biennium ending August 31, 2027.

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:

| <i>Fiscal<br/>Year</i> | Probable Net Positive/(Negative) Impact<br>to<br><i>General Revenue Related Funds</i> |
|------------------------|---|
| 2026                   | \$0   |
| 2027                   | \$0   |
| 2028                   | \$0   |
| 2029                   | \$0   |
| 2030                   | \$0   |

All Funds, Five-Year Impact:

| <i>Fiscal<br/>Year</i> | Probable Revenue (Loss) from<br><i>Game,Fish,Water Safety Ac<br/>9</i> | Probable Revenue Gain from<br><i>New General Revenue Dedicated<br/>- Derelict Vessels and Structures<br/>Account</i> |
|------------------------|--|--|
| 2026                   | (\$685,000)  | \$685,000  |
| 2027                   | (\$685,000)  | \$685,000  |
| 2028                   | (\$685,000)  | \$685,000  |
| 2029                   | (\$685,000)  | \$685,000  |
| 2030                   | (\$685,000)  | \$685,000  |

Fiscal Analysis

The bill would amend the Parks and Wildlife Code to create the Derelict Vessels and Structures Account as a separate account in the General Revenue Fund. The bill would establish the account as consisting of funds transferred monthly by the Parks and Wildlife Department (TPWD) from 5.0 percent of the vessel registration fee deposited in General Revenue-Dedicated Game, Fish and Water Safety Account No. 9 (Account No. 9); money appropriated to the General Land Office (GLO) for the removal and disposal of derelict vessels or structures; and any gifts, grants, bequests of money, securities, services, or property to carry out any purpose

related to the removal of derelict vessels and structures. The bill would authorize the GLO to use money in the account only to support the removal and disposal of derelict vessels and structures. The bill would also require money not used in the account in a fiscal year to remain in the account.

The bill would change the TPWD authorized monthly transfer of an amount up to 15.0 percent of vessel registration fee revenue from Account No. 9 to General Revenue-Dedicated State Parks Account No. 64 (Account No. 64) to an amount up to 10.0 percent. The bill would also require the transfer of 5.0 percent of the vessel registration fee from Account No. 9 to the newly created General Revenue-Dedicated Derelict Vessels and Structures Account.

**Note:** 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 in, with, or outside 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.

**Methodology**

Based on information provided by the Comptroller of Public Accounts (CPA), the 15.0 percent transfer of vessel registration fee revenue from Account No. 9 to Account No. 64 under current law became permissive in fiscal year 2018. According to the TPWD, there have been no transfers from Account No. 9 to Account No. 64 since that time.

Based on the analysis of the CPA and TPWD, the vessel registration fee collected in Account No. 9 in fiscal year 2024 that totaled approximately \$13,700,000 is anticipated to continue in each fiscal year of the 2026-27 biennium. For the purposes of this analysis, it is assumed that the same revenue collection would continue each subsequent fiscal year through 2030. The table above reflects the required transfer of 5.0 percent, or \$685,000, of the fee collected each fiscal year from Account No. 9 to the newly established General Revenue-Dedicated Derelict Vessels and Structures Account.

The table above does not reflect the deposit of any GLO appropriations in the newly created account. GLO appropriations for the 2024-25 biennium do not include any General Revenue Funds or General Revenue-Dedicated Funds for the purpose of removing derelict vessels. GLO reports working with local governments and TPWD through its Fee Vessel Turn in Program to dispose of vessels that are voluntarily brought in at no cost to GLO.

Where derelict vessels occur on Permanent School Fund state lands (i.e. public beaches) resulting from a declared natural disaster and are considered to be debris, GLO has the authority to utilize appropriations from the Permanent School Fund (PSF) No. 44 provided through Rider 10, Appropriation: Receipts and Account Balances for Surface Damages, in the agency's bill pattern to remove those vessels as debris. This analysis assumes that PSF No. 44 funds available through the rider appropriation in response to a natural disaster for debris removal would not be transferred to the newly created General Revenue-Dedicated Derelict Vessels and Structures Account.

Based on information from the GLO, it is assumed that there would be no significant fiscal impact to the agency as a result of implementing the provisions of the bill and that any resulting workload could be absorbed using existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 802 Parks and Wildlife Department

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