
FUNDING OPTIONS FOR THE TEXAS COASTAL RESILIENCY MASTER PLAN

The General Land Office is responsible for managing the Texas coastline, from the beach to nearshore waters and out to 10.3 miles into the Gulf of Mexico, and millions of acres of submerged land in coastal bays. In 2017, the General Land Office completed the Texas Coastal Resiliency Master Plan with the stated goal of guiding and enhancing the coastal programs it manages. These programs are intended to protect, restore, and enhance the Texas coast through an efficient and cost-effective approach to achieving coastal resiliency. The master plan highlights the value of the coast and the hazards that endanger the environment and the economy of coastal communities. It also provides a list of projects and strategies to address those hazards. Recent storms, such as Hurricane Harvey, have resulted in environmental and economic devastation along the Texas coast, highlighting the potential benefits of coastal protection and resiliency.

FACTS AND FINDINGS

- ◆ The General Land Office manages multiple state and federal coastal programs that contribute to coastal protection and restoration, including the Texas Coastal Management Program and the Coastal Erosion Planning and Response Act.
- ◆ For the development of the Texas Coastal Resiliency Master Plan, the General Land Office formed a Technical Advisory Committee. The committee included statewide and regional coastal experts from state and federal agencies, universities, local governments, nonprofit organizations, engineering firms, port representatives, regional trusts, foundations, and partnerships. Committee members served as subject matter experts and provided input and technical guidance throughout the planning process.
- ◆ The 2017 Texas Coastal Resiliency Master Plan includes 59 recommended coastal resiliency projects with a total cost estimate from \$736.0 million to \$1.6 billion. As of August 2018, approximately \$76.6 million in federal and state funds have been allocated for 15 of those projects. In addition, the master plan recommends the funding of four coastwide programs that do not receive dedicated annual funding. These programs have a total annual estimated cost of \$29.0 million.

CONCERN

- ◆ Recent storms and natural shoreline erosion have resulted in significant economic, environmental, and physical damage to coastal areas of the state, making those areas vulnerable to increased damage from additional storms. To address this issue, the Legislature may choose to augment the existing funding options for the Texas Coastal Resiliency Master Plan's approximately \$1.0 billion worth of projects intended to mitigate the damage from future storms.

OPTIONS

- ◆ **Option 1:** Appropriate an amount determined by the Legislature in General Revenue Funds or Other Funds from the Economic Stabilization Fund to the General Land Office to fund projects included in the Texas Coastal Resiliency Master Plan.
- ◆ **Option 2:** Adopt one or more of the following suboptions to make certain related General Revenue–Dedicated funds available for appropriation to the General Land Office to fund projects included in the Texas Coastal Resiliency Master Plan:
 - **Option 2–A:** Amend statute to expand the allowable uses of the General Revenue–Dedicated Account No. 9, Game, Fish, and Water Safety, to include funding of projects included in the Texas Coastal Resiliency Master Plan;
 - **Option 2–B:** Amend statute to expand the allowable uses of the General Revenue–Dedicated Account No. 27, Coastal Protection, to include funding of projects included in the Texas Coastal Resiliency Master Plan;
 - **Option 2–C:** Amend statute to expand the allowable uses of the General Revenue–Dedicated Account No. 5003, Hotel Occupancy Tax for Economic Development, to include funding of projects included in the Texas Coastal Resiliency Master Plan.
- ◆ **Option 3:** Amend statute to allocate a portion of state hotel occupancy tax revenue collected in the 18 coastal counties located within the Texas Coastal Zone

Boundary to the General Land Office and include a contingency rider to appropriate those funds to the General Land Office to fund projects included in the Texas Coastal Resiliency Master Plan.

DISCUSSION

The Texas coast is vulnerable to multiple coastal hazards that put its environmental and economic health at risk, including coastal erosion, sea-level rise, coastal storm surge, habitat loss and degradation, water quality degradation, and high-powered storms. Recent storms, such as Hurricane Harvey, exacerbate these hazards, result in further environmental and economic devastation along the Texas coast, and highlight the urgency for coastal protection.

The Texas coast is vital to the state and the nation. The Texas coastal region is home to many critical state and national economic generators including the oil and natural gas industry, waterborne commerce, military transportation, chemical manufacturing, commercial fishing, recreation, and tourism. Natural resources of the coast, including beaches, dunes, and wetlands, provide recreational opportunities for coastal residents and tourists. They also play a critical role as natural barriers that protect coastal communities and industries from storm surge and flooding and provide a habitat for coastal wildlife.

TEXAS GENERAL LAND OFFICE

The Texas General Land Office (GLO) is responsible for managing the Texas coastline, from the beach to nearshore waters and out to 10.3 miles into the Gulf of Mexico, and millions of acres of submerged land in coastal bays. The GLO manages the following federal and state coastal programs that contribute to coastal protection and restoration:

- Texas Coastal Management Program;
- Coastal Erosion Planning and Response Act;
- Community Development and Revitalization;
- Oil Spill Prevention and Response;
- Beach Monitoring and Maintenance Program;
- Beach Access and Dune Protection Program;
- Gulf of Mexico Energy Security Act Program;
- Coastal Non-point Source Pollution Program;
- Texas Coastal Ocean Observation Network Program;

- Beach Maintenance Reimbursement Fund Program; and
- Adopt-a-Beach Program.

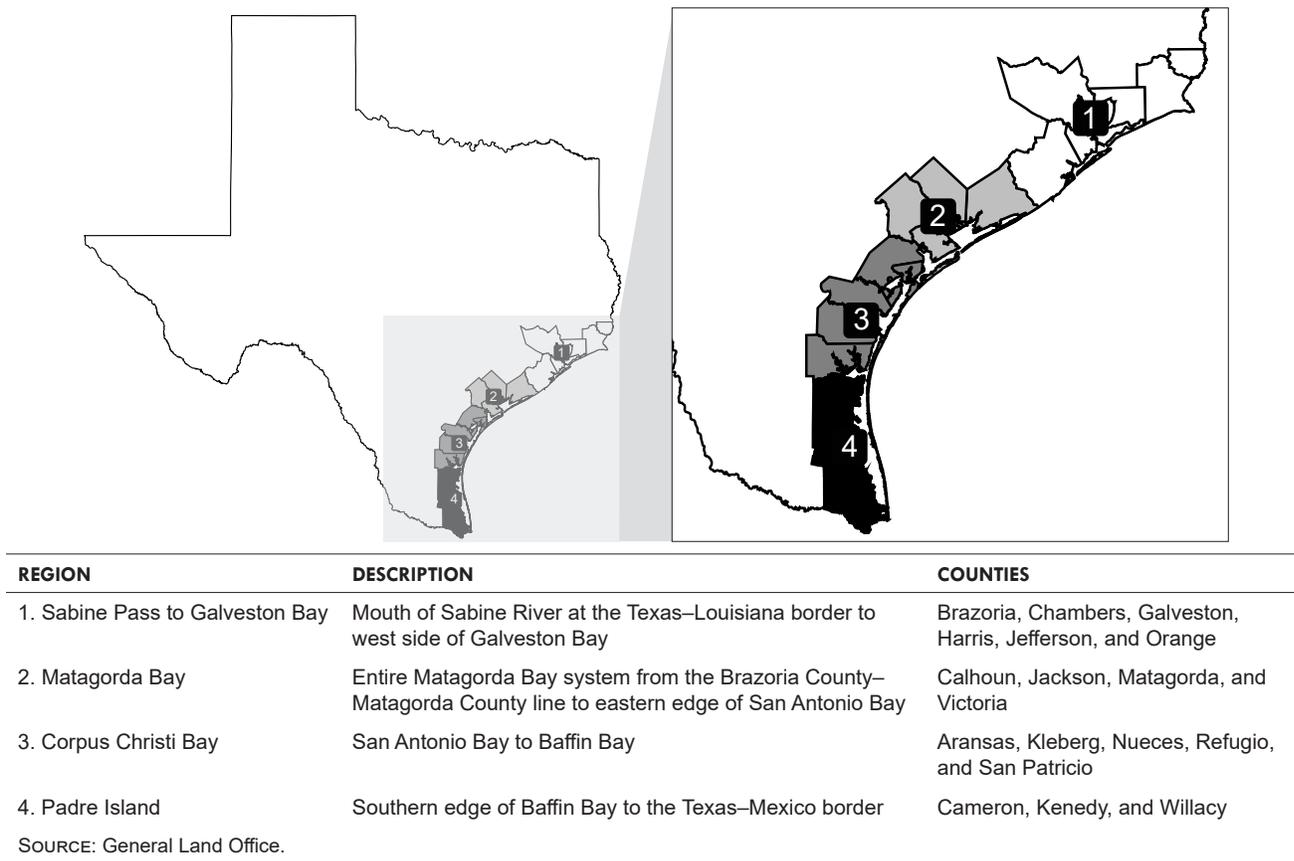
To protect and restore the coast, these GLO programs rebuild and fortify eroding beaches, rebuild dunes, protect and stabilize shorelines, restore marsh habitat, mitigate damage to natural resources, enhance public access to beaches, assist with beach maintenance costs for statutorily approved counties, provide the public with access to updated beach water quality information, enhance coastal infrastructure, and ensure that Texas coastal waters are not polluted with oil. In addition to these programs, GLO has been involved in coastal planning efforts to research specific coastal regions or particular coastal issues in partnership with federal and local entities. Due to the expansive and diverse nature of the Texas coast, the GLO Commissioner determined that a piecemeal approach to coastal protection and restoration is not sufficient, and directed the agency to develop an overall plan that coordinates the efforts of multiple parties, evaluates and selects projects, and provides efficient and cost-effective methods to achieve a resilient coast.

TEXAS COASTAL RESILIENCY MASTER PLAN

In 2012, GLO collaborated with the Harte Research Institute at Texas A&M University – Corpus Christi to study and identify priority issues for the Texas coast. The 2012 study yielded insights into coastal restoration and protection needs; however, it did not result in a formal plan document. With the 2012 planning effort as a foundation, development of a coastal plan began in March 2016. In March 2017, GLO published the Texas Coastal Resiliency Master Plan to guide the restoration, enhancement, and protection of the state’s natural resources. The master plan provides a framework to protect communities, infrastructure, and ecological assets from coastal hazards including flooding and storm surge in the short term and erosion and wildlife habitat loss in the long term. This framework includes identifying issues of concern and proposing projects to decrease the effects of hazards. GLO intends for the master plan to be a tool for selecting and implementing projects that produce measurable economic and ecological benefits to advance coastal resiliency.

GLO defines coastal resiliency as the ability of coastal resources and infrastructure to withstand natural or human-induced disturbances and quickly rebound from hazards. According to the National Oceanic and Atmospheric Administration, this resilience may prevent a short-term hazard from turning into a long-term communitywide

FIGURE 1
TEXAS' COASTAL REGIONS, MARCH 2017



disaster. The Texas coastline is dynamic and constantly shifts due to waves, tides, winds and other forces. Therefore, GLO intends to update the master plan biennially to enable the state to assess changing coastal conditions and needs, and to determine the most suitable way to implement the appropriate coastal protection solutions. In addition to the Texas Coastal Resiliency Master Plan, GLO continues to work with the U.S. Army Corps of Engineers and members of the U.S. Congress to move forward with the Coastal Texas Protection and Restoration Feasibility Study. The feasibility study and report are expected to be complete in 2021 and will make recommendations for large-scale projects, including the coastal barrier system, to protect the densely populated Houston area.

TEXAS COASTAL RESILIENCY MASTER PLAN DEVELOPMENT

Multiple partners representing a diverse range of disciplines collaborated to develop the master plan. GLO managed the

planning team, which included engineering and environmental firms and the Harte Research Institute.

To gather information regarding the specific issues affecting the Texas coast and to evaluate solutions to these issues, GLO formed a Technical Advisory Committee (TAC), which also served as a member of the master plan planning team. The TAC included statewide and regional coastal decision makers and technical experts from 74 organizations in state and federal agencies, universities, local governments, nonprofit organizations, engineering firms, ports and regional trusts, foundations, and partnerships. TAC members informed the development of the master plan, served as subject matter experts on a regional and statewide level, and provided input and technical guidance throughout the planning process.

To facilitate the presentation of issues of concerns and solutions, the Texas coast was viewed as four regions based on major bay systems and habitats that align with other coastal planning studies conducted by GLO and the U.S. Army Corps of Engineers. **Figure 1** shows the four coastal regions

and includes a geographic description and the counties within the region. The planning team further divided the four coastal regions into 68 subregions to provide for local-level analysis that could be combined to make larger units for landscape-level analysis.

The planning team identified coastal issues of concern, provided a framework for documenting input from TAC members and stakeholders, and provided a basis for selecting candidate projects responsive to that input. The team identified the following eight coastal issues of concern:

- altered, degraded, or lost habitat;
- gulf beach erosion and dune degradation;
- bay shoreline erosion;
- existing and future coastal storm-surge damage;
- coastal flood damage;
- impacts on water quality and quantity;
- impacts on coastal resources; and
- abandoned or derelict vessels, structures, and debris.

TAC evaluated the severity of each issue of concern by region and subregion. TAC was asked to consider resiliency concepts and scale them from zero to four, with zero being not at all concerned, and four being extremely concerned, for each issue in subregions with which they were familiar. The planning team compared average TAC responses and scores for each issue, with high levels of concern suggesting high needs for project solutions.

PROJECT IDENTIFICATION AND EVALUATION

The project identification process began with a literature review of federal, state, and local reports, documents, databases, studies, and other materials of potential relevance to coastal resiliency, restoration, and development. This effort resulted in a preliminary project list that included more than 1,200 projects along the Texas coast. After eliminating completed and duplicate projects, the remaining projects underwent a two-step screening process to further refine the types of projects considered. The first screening was at a conceptual level, using general project descriptions and goals to determine whether a project enhanced coastal resiliency. This criteria included the project’s contribution to coastal resiliency, extent of information provided, and goals. Projects focused exclusively on public infrastructure improvements, such as those identified in the completed

GLO Texas Coastal Infrastructure Study, or storm suppression systems, such as those being studied in other state and federal efforts, did not advance to the second screening phase.

Projects that passed the initial screening were categorized based on the U.S. Army Corps of Engineers’ three primary categories of coastal risk reduction: nonstructural measures, structural measures, and natural and nature-based features. Nonstructural measures typically involve changing public policy, management practices, and regulatory policies. Structural measures include shoreline stabilization and flooding protection. They are intended to mitigate shoreline erosion and other coastal risks associated with wave damage and flooding. Nature-based features are human-made but “may mimic characteristics of natural features,” according to the planning team’s technical report. **Figure 2** shows these conceptual project types and their included project types and subtypes.

After a project was assigned a type, to further narrow the list of candidate projects, the second screening entailed a programmatic model to qualitatively and quantitatively establish relationships between the benefits provided by projects and issues of concern in each subregion. The second screening identified 177 projects that addressed the concerns most effectively, based upon their project types and locations.

Following the two-step screening process, TAC evaluated each of the 177 projects on its overall scope and merit. The group considered factors such as a project’s proposed location, expected effects on the natural and built environments, size or scale, proposed methodology or restoration technique, feasibility of construction or completion, and overall consistency with the master plan’s resiliency goals. TAC also was asked to consider coastal issues in light of the identified projects and propose any additional gap projects that would address unmet coastal needs. As a result, TAC identified 61 gap projects and evaluated them using the same methods as previously identified projects.

After the screening process and TAC evaluation, the planning team conducted technical analyses of project cost, economic benefits, physical risk, feasibility, constructability, environmental impact, and sediment management.

The project identification process produced 238 recommended projects for the Texas coast. The planning team grouped these projects into the following eight resiliency strategies:

- restoration of beaches and dunes;

**FIGURE 2
TEXAS COASTAL RESILIENCY MASTER PLAN PROJECT TYPES, MARCH 2017**

CONCEPT TYPES	PROJECT TYPES	SUBTYPES
Nonstructural	Land acquisitions	Acquisitions, conservation easements, fee simple
	Public access and improvements	Federal Americans with Disabilities Act-compliant accessibility, walkovers, piers, boat ramps
	Studies, policies, and programs	Erosion response plans, structure raising, setbacks, studies, sediment management
Structural	Shoreline stabilization	Seawall, bulkhead, revetment, breakwater, miscellaneous wave break, jetty, groin
	Flood risk reduction	Levees, flood wall, storm-surge barrier, road elevation
	Structure or debris removal	Structures on public's easement; abandoned gas and oil wells; abandoned boats; dock pilings; post-storm cleanup; plastics, glass, rubber, and metal; obstacles
Nature-based	Habitat creation and restoration	Marsh, oyster reef, wetlands and forested wetlands, barrier islands, coastal prairies, rookery islands
	Wildlife	Fisheries, birds, oysters, sea turtles, invasive species
	Environmental	Freshwater inflow, hydrologic restoration
	Beach nourishment	Bay, gulf
	Dune restoration	Dune

SOURCE: General Land Office

- bay shoreline stabilization and estuarine wetland restoration (living shorelines);
- stabilization of the Texas Gulf Intracoastal Waterway;
- freshwater wetlands and coastal uplands conservation;
- delta and lagoon restoration;
- oyster reef creation and restoration;
- rookery island creation and restoration; and
- plans, policies, and programs.

The planning team prioritized the projects by assigning them to one of three tiers. The additional technical analyses, in conjunction with TAC input, resulted in the designation of 63 Tier 1 projects, which are the only projects listed in the master plan. Tier 1 projects had high TAC approval ratings, a high feasibility assessment, and were anticipated to mitigate the issues of concern in the project's subregion. These projects represent the most beneficial and actionable project solutions recommended for the state, as identified by the master plan's planning process. Tier 2 projects had more moderate approval ratings and feasibility assessments, while Tier 3 projects required further research and development or already were captured within another, larger project. Tier 2 projects still

may contribute effectively to coastal resiliency and will be evaluated further in future iterations of this planning effort.

**CURRENT FUNDING SOURCES
FOR MASTER PLAN PROJECTS**

The projects identified in the plan can receive funding from multiple sources, in coordination with GLO or independently. Furthermore, the master plan can be used by coastal communities to highlight the issues of concern in their regions and to solicit actions to make their communities more resilient and less vulnerable to storms.

According to GLO, funding is the main barrier to implementing coastal resiliency projects. The following available funding sources are identified for master plan projects:

- settlement funds from the federal Natural Resource Damage Assessment and Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act;
- federal funding through the Coastal Management Program;
- federal funding from legal and regulatory actions through the National Fish and Wildlife Foundation;

- state funds through Coastal Erosion Protection and Response Act (CEPRA), subject to legislative appropriation;
- Outer Continental Shelf oil and gas revenue sharing through the federal Gulf of Mexico Energy Security Act; and
- private donations and grants from local industries and nonprofit organizations.

As of August 2018, 15 shovel ready master plan projects had been allocated funding. Approximately \$76.6 million was allocated from a combination of federal and state resources, including, but not limited to, CEPRA; the Gulf of Mexico Energy Security Act of 2006; the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act); and the National Oceanic and Atmospheric Administration.

According to the Texas Water Development Board, a majority of master plan projects may qualify for financial assistance through either the Texas Water Development Fund program or the federal–state-partnered Clean Water State Revolving Fund program, or both.

FUNDING OPTIONS FOR THE TEXAS COASTAL RESILIENCY MASTER PLAN

Recent storms and natural shoreline erosion have resulted in significant economic, environmental, and physical damage to the state’s coastal areas, making those areas vulnerable to increased damage from additional storms. The Texas Coastal Resiliency Master Plan identifies from \$736.0 million to \$1.6 billion worth of projects primarily intended to mitigate damage from storms. If the Legislature chooses to increase state support for the completion of these projects, Legislative Budget Board (LBB) staff have identified additional sources of funding that could be used or established. These options include making a direct appropriation, allocating existing revenue streams, or amending statute to make dedicated accounts available for coastal resiliency projects, after which the Legislature could choose how much to appropriate.

APPROPRIATE GENERAL REVENUE FUNDS OR OTHER FUNDS

The Legislature could make a onetime investment in Coastal Resiliency Master Plan projects. Option 1 would increase appropriations in the 2020–21 General Appropriations Act, Article VI, GLO, Strategy B.1.1, Coastal Management, from General Revenue Funds or Other Funds from the Economic

Stabilization Fund (ESF). The Texas Constitution authorizes appropriation from the ESF for a budget deficit during a biennium or a projected revenue shortfall during an ensuing biennium. The Texas Constitution also authorizes the Legislature, by a two-thirds vote of the members present in each house, to appropriate amounts from the ESF at any time and for any purpose. The Comptroller of Public Accounts (CPA) estimates the ESF balance to be \$11.9 billion at the end of the 2018–19 biennium. The master plan identifies 63 Tier 1 projects with a total estimated cost range from \$736.0 million to \$1.6 billion. Option 1 would appropriate General Revenue Funds or Other Funds from the ESF, in an amount determined by the Legislature, to GLO to fund projects included in Texas Coastal Resiliency Master Plan. The number of projects that could receive funding would depend on the amount the Legislature chooses to appropriate.

EXPAND ALLOWABLE USES OF CERTAIN GENERAL REVENUE–DEDICATED ACCOUNTS

General Revenue–Dedicated accounts are subaccounts within the General Revenue Fund that are for the deposit and accounting of revenues dedicated for a particular purpose. Since 1991, unappropriated General Revenue–Dedicated account balances have been counted as available to certify General Revenue Fund appropriations. Certification of appropriations is required by the Texas Constitution, Article III, Section 49a. In CPA’s *Report on Use of General Revenue–Dedicated Accounts*, 2017, approximately \$5.3 billion was available to certify appropriations of General Revenue Funds for the 2018–19 biennium. LBB staff has identified three General Revenue–Dedicated accounts that have growing account balances totaling approximately \$153.9 million and that have revenue sources and allowable uses related to the coast or coastal resiliency. Option 2 includes three suboptions to amend statute to expand the allowable uses of specified accounts to explicitly include funding of projects included in the General Land Office’s Texas Coastal Resiliency Master Plan. **Figure 3** shows the identified accounts’ beginning cash balances, net revenues and other sources, net expenditures and other uses, and ending cash balances for fiscal year 2018.

GENERAL REVENUE–DEDICATED ACCOUNT NO. 9, GAME, FISH, AND WATER SAFETY

The General Revenue–Dedicated Account No. 9, Game, Fish, and Water Safety (Account No. 0009), is used for

**FIGURE 3
CASH BALANCE, NET REVENUE AND OTHER SOURCES, AND NET EXPENDITURES AND OTHER USES FOR CERTAIN GENERAL REVENUE–DEDICATED ACCOUNTS, FISCAL YEAR 2018**

(IN MILLIONS)

GENERAL REVENUE–DEDICATED ACCOUNT	BEGINNING CASH BALANCE	NET REVENUE AND OTHER SOURCES	NET EXPENDITURES AND OTHER USES	ENDING CASH BALANCE
Account No. 0009, Game, Fish, and Water Safety	\$81.6	\$269.6	\$265.8	\$85.5
Account No. 0027, Coastal Protection	\$17.5	\$19.2	\$14.4	\$22.3
Account No. 5003, Hotel Occupancy Tax for Economic Development	\$16.9	\$67.5	\$38.2	\$46.1

SOURCE: Comptroller of Public Accounts.

multiple game, fish, and water safety purposes, including the following purposes related to coastal resiliency:

- establishment and maintenance of fish hatcheries, fish sanctuaries, tidal-water fish passes, wildlife management areas, and public hunting grounds;
- protection of wild birds, fish, and game;
- research, management, and protection of the fish and wildlife resources of the state; and
- resource protection activities.

The Texas Parks and Wildlife Code, Chapter 11, requires the Texas Parks and Wildlife Department to use money from license fees paid by hunters and fishermen for functions required to manage the state’s fish and wildlife resources. For fiscal year 2018, revenue deposited to Account No. 9 was approximately \$269.6 million, including the following sources:

- licenses, stamps, fees, permits, and fines involving the laws and duties regarding game and fish;
- oyster bed rentals and permits;
- fines and penalties collected for violations of a law pertaining to the protection and conservation of the state’s wildlife resources;
- vessel manufacturer or dealer licensing fees; and
- vessel registration and vessel and outboard motor titling fees.

After expenditures and other uses, the account’s ending cash balance increased from approximately \$81.6 million for fiscal year 2017 to approximately \$85.5 million for fiscal year 2018. Some of the account’s allowable uses are related to or

incorporate aspects of coastal resiliency projects. Option 2–A would amend the Texas Parks and Wildlife Code, Chapter 11, to expand the allowable uses of Account No. 9 to explicitly include funding of projects included in the General Land Office’s Texas Coastal Resiliency Master Plan. The statutory amendment would make the funds available for the Legislature to appropriate an amount of its choosing.

GENERAL REVENUE–DEDICATED ACCOUNT NO. 0027, COASTAL PROTECTION

The General Revenue–Dedicated Account No. 27, Coastal Protection (Account No. 27), is used primarily to implement and enforce the Oil Spill Prevention and Response Act of 1991 and in response to unauthorized oil discharges. However, money in the account may be used for GLO erosion response projects, in an amount not to exceed the interest accruing to the fund annually. Approximately \$0.3 million in interest revenue was deposited into Account No. 27 for fiscal year 2018. For fiscal year 2018, revenue deposited to the account was approximately \$19.2 million, the majority of it coming from the state’s coastal protection fee. The coastal protection fee is imposed on every individual owning crude oil in a vessel at the time the oil is transferred to or from a marine terminal. The fee is set at \$0.013 per barrel, and the rate can vary or the fee can be suspended based on the balance of Account No. 27. After expenditures and other uses, the account’s ending cash balance increased from approximately \$17.5 million for fiscal year 2017 to approximately \$22.3 million for fiscal year 2018. Option 2–B would amend the Texas Natural Resources Code, Chapter 40, to expand the allowable uses of Account No. 27 to explicitly include funding of projects included in the General Land Office’s Texas Coastal Resiliency Master Plan. The statutory amendment would make the funds available for the Legislature to appropriate an amount of its choosing.

**GENERAL REVENUE–DEDICATED ACCOUNT
NO. 5003, HOTEL OCCUPANCY TAX
FOR ECONOMIC DEVELOPMENT**

The General Revenue–Dedicated Account No. 5003, Hotel Occupancy Tax for Economic Development (Account No. 5003), is used for advertising and other marketing activities of the Trusteed Programs within the Office of the Governor, Economic Development and Tourism Division. For fiscal year 2018, revenue deposited to the account was approximately \$67.5 million, including \$50.9 million from an allocation of the state’s portion of the hotel occupancy tax. After expenditures and other uses, the account’s ending cash balance increased from approximately \$16.9 million for fiscal year 2017 to approximately \$46.1 million for fiscal year 2018. Option 2–C would amend the Texas Tax Code, Chapter 156, to expand the allowable uses of Account No. 5003 to explicitly include funding of projects included in the General Land Office’s Texas Coastal Resiliency Master Plan. The statutory amendment would make the funds available for the Legislature to appropriate an amount of its choosing.

ALLOCATING STATE HOTEL OCCUPANCY TAX REVENUE

The state’s hotel occupancy tax rate is 6.0 percent of the price paid for a room in a hotel. For purposes of imposing a hotel occupancy tax, the Texas Tax Code defines a hotel as a building in which members of the public obtain sleeping accommodations for consideration, including a hotel, motel, tourist house, bed and breakfast, and a short-term rental. During fiscal year 2017, the state collected approximately \$530.7 million in state hotel occupancy taxes.

The Texas Tax Code allocates approximately 33.3 percent of state hotel occupancy tax revenue collected in six coastal municipalities to those municipalities to clean and maintain public beaches within the municipality. CPA transfers this money to the municipalities without an appropriation. Some of those municipalities also may use the money for erosion response projects and to clean and maintain bay shorelines. Option 3 would expand on the policy of using state hotel occupancy tax revenue for coastal resiliency by amending the Texas Tax Code, Chapter 156, to allocate a portion of available state hotel occupancy tax revenue collected in the 18 coastal counties located within the Texas Coastal Zone Boundary to GLO, subject to appropriation. The option would include a contingency rider to appropriate those funds to GLO for funding projects included in the Texas Coastal Resiliency Master Plan. The state hotel occupancy tax revenue collected in these counties for fiscal year 2018 was approximately \$147.3 million. Based on projected hotel

occupancy tax collections in CPA’s House Bill 32 Report, 2016, the state hotel occupancy tax revenue collected in these counties is estimated to be \$335.2 million for the 2020–21 biennium. As part of the statutory amendment, the Legislature could allocate an amount of its choosing. The statutory allocation could be established to provide an ongoing source of funds for coastal resiliency or could be designated for a specific period, after which the existing allocation of that revenue would resume.

FISCAL IMPACT OF THE OPTIONS

Option 1 would make a onetime appropriation to GLO from General Revenue Funds or Other Funds from the ESF. This option would result in a cost in an amount equal to the appropriation.

Option 2 includes strategies to amend statute to expand the allowable uses of certain General Revenue–Dedicated accounts. If the Legislature chooses to appropriate funds from any of these General Revenue–Dedicated accounts, it would result in a cost to that account in an amount equal to the appropriation. Although it would not result in a cost to the state’s General Revenue Funds, it would decrease the amount of General Revenue–Dedicated Funds amounts available for certification of appropriations of General Revenue Funds.

Option 3 would amend statute to allocate state hotel occupancy tax revenue collected in the 18 coastal counties to GLO, subject to appropriation. State hotel occupancy tax revenue is deposited in the state Treasury to the credit of the General Revenue Fund; therefore, this option would result in a cost to the state in an amount equal to any appropriation of the funds. Based on projected hotel occupancy tax collections in CPA’s House Bill 32 Report, 2016, the state hotel occupancy tax revenue collected in these counties is estimated to be \$335.2 million for the 2020–21 biennium.

The introduced 2020–21 General Appropriations Bill does not include any adjustments as a result of these options.