

- SUBJECT:** Funding for floodplain management
- COMMITTEE:** Natural Resources — favorable, without amendment
- VOTE:** 10 ayes — Ritter, Callegari, Corte, Creighton, Frost, T. King, Lucio, Martinez Fischer, D. Miller, Smithee
- 0 nays
- 1 absent — Laubenberg
- WITNESSES:** For — Wes Birdwell, Texas Floodplain Management Association; (*Registered, but did not testify:* Dean Robbins, Texas Water Conservation Association)
- Against — None
- On — (*Registered, but did not testify:* J. Kevin Ward, Texas Water Development Board)
- BACKGROUND:** The 80th Legislature in 2007 enacted SB 1436 by West, which established the floodplain management account as a special fund in the state treasury. SB 1436 dedicated it to this account \$3.05 million per year of the maintenance tax that the Department of Insurance currently collects on premiums for fire and allied lines of insurance.
- The account was to be used by the Texas Water Development Board (TWDB) for coordination of the National Flood Insurance Program (NFIP). However, the Funds Consolidation Act swept this fund into general revenue, so the money did not go into the account as intended.
- DIGEST:** HB 2536 would provide that the floodplain management account be redesignated the floodplain management fund and re-created as a special fund in the state treasury outside the general revenue fund.
- HB 2536 would amend Water Code, sec. 16.3161 by changing the Floodplain Management Account to the Floodplain Management Fund and include in the fund any interest earned on the money.

The provisions in Government Code, sec. 403.095 relating to use of dedicated revenue would not apply to this fund.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

NOTES:

The companion bill, SB 1288 by West, has been left pending in the Senate Finance Committee.

According to the fiscal note, HB 2586 would transfer \$3.05 million per year from the general revenue fund to the Floodplain Management Fund. These funds were previously deposited in the General Revenue Fund.

In fiscal 2008-09, the TWDB was appropriated \$5,755,123 from general revenue. If HB 2586 were enacted, it is assumed that there would be a decrease in general revenue appropriations to the TWDB for this program of \$2,877,562 in each fiscal year to correspond with an increase in appropriations to the Floodplain Management Fund.