

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 07/06/2012
POSITION: Neutral

BILL NUMBER: AB 2443
AUTHOR: Williams, Das

BILL SUMMARY: Vessels: registration fee: Quagga and Zebra Mussel Infestation Prevention Program

Existing law requires various state departments to develop and implement programs to prevent the introduction or spread of dreissenid mussels in state waters. Existing law requires a person who owns a boat to pay a registration fee for the boat on a biennial basis.

This bill would authorize the Department of Boating and Waterways (Boating) to charge an additional amount, not to exceed \$20, for the biennial registration fee, and an additional amount, not to exceed \$10, for new boating registrations that occur in odd-numbered years. The bill would require the revenue generated from the additional fees to be made available to state agencies and local governments to administer a dreissenid mussel monitoring, inspection, and education program.

FISCAL SUMMARY

The bill would require the additional registration charge to be deposited into the Harbors and Watercraft Revolving Fund (HWRF). Boating estimates that if the full amount of the authorized \$10 (new) or \$20 (biennial) fee is enacted, maximum gross revenues from the collection of the increased fees would average approximately \$5.1 million annually. To comply with the provisions of the bill requiring Boating to establish and consult with a technical advisory group, to develop and adopt emergency regulations for collection and use of the fee, and to establish grant program procedures and criteria would entail one-time costs in the range of \$75,000 to \$150,000. Ongoing costs to the department to administer the grant program would be approximately \$150,000 and the department would need one full-time position. The bill contains language limiting Boating funding to 3 percent of total revenues to the HWRF, approximately \$153,000.

The bill identifies specified uses of the revenue as funding for local governments to implement adopted dreissenid mussel prevention plans and funding for the Department of Fish and Game (DFG) for dreissenid mussel prevention plan development in areas of the state where a plan has not been adopted. The bill would allow 15 percent, approximately \$1.3 million, of the total revenue collected to be used for DFG prevention plan development. DFG estimates it would need \$700,000 and 10 positions annually to develop and monitor the prevention plans.

The Department of Motor Vehicles (DMV) estimates it would have one-time programming and materials costs of approximately \$271,000 to update vessel registration fee collection systems and information. It expects lower ongoing costs in subsequent years as the registration systems are updated for both new registrations and the biennial fee. DMV expects second year costs of \$113,000 and ongoing costs after that of \$47,000.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the May 3, 2012, version do not alter our position. The amendments would authorize a \$20 biennial registration fee increase or a \$10 increase for new

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SUMMARY OF CHANGES (continued)

registrations in odd numbered years. The previous version would have required only a \$10 biennial registration fee increase. Other amendments include limiting the amount of funding for Boating to implement the bill to 3 percent of total revenue, and further identification of the entities that would be eligible to receive grant funding.

COMMENTS

The Department of Finance is neutral on the bill as it would provide additional funding to DFG to supplement the department's current dreissenid mussel program and would provide local governments more opportunities to aid with aquatic invasive species eradication.

Dreissenid mussels are small freshwater mussels that attach themselves to stone or other hard surfaces in aquatic environments. The most common invasive dreissenids in California are the Quagga mussel and the Zebra mussel. Per Fish and Game Code, local agencies are required to develop and implement dreissenid mussel prevention programs. However, the absence of dedicated funding has required local agencies to fund programs from existing budgets. DFG receives approximately \$2.3 million annually from the Harbors and Watercraft Revolving Fund for the department's dreissenid mussel program. The funding primarily allows DFG to monitor current eradication activities, and are not sufficient to expand eradication efforts to additional areas of the state. There are 25 bodies of water in California infested with dreissenid mussels. Of those 25 bodies, 13 of them have an approved response plan by DFG which is implemented by local water agencies.

Code/Department Agency or Revenue Type	SO LA CO RV	(Fiscal Impact by Fiscal Year)						Fund Code
		PROP 98	FC	2012-2013 FC		2013-2014 FC		
				(Dollars in Thousands)				
1204/Boating Use	RV	No	U	2,550	U	5,100	U	5,100 0516
3600/Dept FishGam	SO	No	A	350	C	700	C	700 0516
2740/DMV	SO	No	C	271	C	113	C	47 0516
3680/Boat & Water	SO	No	A	75-150	A	150	A	150 0516
<u>Fund Code</u>	<u>Title</u>							
0516	Harbors and Watercraft Revolving Fund							