

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**February 27, 2003**

**TO:** Honorable Robert Puente, Chair, House Committee on Natural Resources

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB423** by Christian (Relating to restrictions on the transfer of groundwater from a rural county to another county.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would require a person wishing to transfer groundwater from one county to another to obtain a permit from the Texas Commission on Environmental Quality (TCEQ), give details about the source and use of the water, and notify the public of the application. The bill excludes those counties that either are members of a groundwater conservation district or that have a population of more than 50,000. The bill would take effect on September 1, 2003.

Since the bill provides that any costs incurred by TCEQ could be recovered through fees, no significant fiscal impact to the State is anticipated.

**Local Government Impact**

For the purposes of this analysis, a "person" wishing to transfer groundwater in the future may be a unit of local government. At present, there are an estimated 82 counties that have no groundwater conservation district and have a population of less than 50,000. An additional 16 counties meet the population restrictions, but are not wholly included in the boundaries of a groundwater conservation district. As estimated by TCEQ, costs for a permit, excluding contested case hearings could be between \$50,000 and \$100,000. According to the Texas Rural Water Association, if a permit application were contested, hearing costs to the applicant (which under the provisions of the bill could include a unit of local government) could be as much as \$150,000 to \$200,000, depending on the number of parties, number of expert witnesses, range of specific issues, and the length of the hearing.

**Source Agencies:** 304 Comptroller Of Public Accounts, 580 Water Development Board, 582 Commission On Environmental Quality

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