

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 7, 2003

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2250 by Flores (Relating to the powers and duties of the Rio Grande watermaster and the delivery of water down the banks and bed of the Rio Grande.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2250, As Engrossed: an impact of \$0 through the biennium ending August 31, 2005.

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:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2004 | \$0 |
| 2005 | \$0 |
| 2006 | \$0 |
| 2007 | \$0 |
| 2008 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain from <i>WATERMASTER ADMINISTRATION</i> 158 | Probable (Cost) from <i>WATERMASTER ADMINISTRATION</i> 158 | Change in Number of State Employees from FY 2003 |
|-------------|---|--|---|
| 2004 | \$149,543 | (\$149,543) | 2.0 |
| 2005 | \$106,043 | (\$106,043) | 2.0 |
| 2006 | \$106,043 | (\$106,043) | 2.0 |
| 2007 | \$106,043 | (\$106,043) | 2.0 |
| 2008 | \$106,043 | (\$106,043) | 2.0 |

Fiscal Analysis

The bill would provide for the Rio Grande Watermaster to administer water rights issued under a permit by the Texas Commission on Environmental Quality (TCEQ) for water pumped from underground reservoirs, transported via the Rio Grande, and stored in a reservoir for the delivery of water. The bill would provide that such water rights could not hinder the rights of other surface water right holders, and that rules adopted by the TCEQ be consistent with a 1944 treaty with Mexico. The bill would also require that the TCEQ consider water quality when considering an application for water rights.

In addition, the bill would include as a duties of the watermaster activities that address situations of

imminent threat to public health, safety, or the environment, including terrorism.

Methodology

Current law does not provide for the allocation of groundwater pumped into the Rio Grande by the Rio Grande Watermaster. It is expected that passage of the bill would require increased accounting duties by the Rio Grande Watermaster. It is expected that water loss computations would have to be conducted on a daily basis, requiring one additional FTE. It is also expected that an additional FTE would be needed to conduct investigations of water pumping and delivery sites along the entire river. In addition, current law does not require water quality to be considered as a basis for granting water rights, so it is expected that the watermaster would have additional workload determining the impact of a water right on water quality.

Additional administrative costs are expected to be offset by revenues generated from fees that would be assessed on persons contracting for the sale and purchase of water pumped from underground reservoirs. These fees would be deposited to the Watermaster Administration Account No. 158.

No significant fiscal impact is expected as a result of the bill's provision's relating to watermaster duties in response to terrorism.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JK, SD, CL, DLBa, TL