

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 13, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2417 by Gattis (Relating to the regulation of the transfer of groundwater out of a groundwater conservation district.), **As Introduced**

| |
|---|
| No fiscal implication to the State is anticipated. |
|---|

The bill would authorize a groundwater conservation district to impose more restrictive permit conditions on transporters of water out of the district than are imposed on in-district users if an area within the district is experiencing, or is expected to experience within the next 30 years, critical groundwater problems. Once a permit to transport water out of the district has been issued, the district may not impose more restrictive conditions without first providing the transporter a minimum of 15 years' written notice.

The bill would take effect immediately if it receives a two-thirds vote in each house; otherwise, it would take effect September 1, 2003.

The Harris-Galveston Coastal Subsidence District does not anticipate a fiscal impact; however two groundwater conservation district associations estimate a more varied impact.

According to the Texas Groundwater Conservation Association (TGCA), the level of studies required to determine if problems will exist within the next 30 years could range in cost from a few thousand (insignificant) to a more significant amount if extensive studies are necessary. TGCA also assumes that there may be a need for a district to obtain legal advice, adding to costs.

The Texas Alliance of Groundwater Districts estimates there would be insignificant additional costs unless, as a result of more restrictive regulations for the transfer of water out of the district through the permitting process, an exporter were to bring legal actions against the district; in which case, substantial legal costs would occur.

Local Government Impact

The fiscal impact would vary by district, depending on the types of studies required to make a determination about water problems and on any necessary legal services.

Source Agencies:

LBB Staff: JK, CL, DLBa