

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 9, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2854 by Farrar (Relating to the transfer or cancellation of a water right.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would provide that an interbasin transfer (for applications filed after the effective date of the act) does not affect the priority of a water right that has been appropriated to a beneficial use that does not return any flows to watercourse from which it was appropriated. The bill also requires cancellation of 50 percent of a water right if the only defense to cancellation is that the water is being made available for purchase through a private marketing effort. In addition, the bill provides that if the Commission on Environmental Quality cancels a water right, it shall issue a new water right equivalent in amount and priority to the right cancelled, and dedicated to environmental flow. Such a right would be placed in the water trust in perpetuity.

Local Government Impact

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

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: JK, CL, TL