

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 24, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3035 by Cook, Robby (Relating to the power of groundwater conservation districts to regulate the spacing of water wells and the production of groundwater.), **Committee Report 2nd House, As Amended**

No significant fiscal implication to the State is anticipated.

The bill would add to the list of methods by which a groundwater conservation district may regulate the production of groundwater that the amount of groundwater to be produced may be determined on the basis of contiguous acreage. In regulating groundwater production, the district would be required to select an appropriate method from those listed in statute based on hydrogeological conditions of the aquifer or aquifers in the district.

The bill would also amend statutes related to the Edwards Aquifer Authority. The bill would take effect September 1, 2003.

No significant change to state agency workload is anticipated.

The Edwards Aquifer Authority identified sections of the bill that would have a fiscal impact on the authority, some of which would provide a savings and others that would result in increased costs. Overall, the fiscal impact for the Edwards Aquifer Authority would be positive, with the savings and revenue gains outweighing any new costs or revenue losses.

The City of San Antonio also identified costs and savings within the bill, but the costs would be higher than the savings, increasing costs by about 1½ percent for maintenance and operations related to the city's water functions.

Local Government Impact

The bill would expand the list of methods by which groundwater conservation districts may limit the production of groundwater. Districts may require amending the district rules to incorporate the new provisions; however, it is anticipated that any permitting of wells under the provisions of the bill could occur using current program resources.

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The City of San Antonio also identified costs and savings within the sections of the bill that pertain to the Edwards Aquifer Authority and its users, but the costs would be higher than the savings, increasing costs by about 1½ percent for maintenance and operations related to the city's water functions.

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

LBB Staff: JK, DLBa, CL, TL