

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

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

**May 24, 2003**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

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

**IN RE: HB3152** by Bonnen (Relating to the potability of and requirements for removing contaminants from groundwater.), **As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would authorize a person or municipality and the Executive Director of the Texas Commission on Environmental Quality (TCEQ) to apply for and make Municipal Setting Designations (MSD) in municipalities over 20,000 population that restrict the use of groundwater so that response actions to contaminated groundwater are limited or eliminated. The TCEQ would certify or deny proposed MSDs.

The bill also would provide authority to municipal authorities to regulate the pumping, extraction, and use of groundwater for drinking purposes.

The bill would provide for the TCEQ to charge an application fee of \$1,000 to a municipality applying for an MSD. Fees would be deposited to the credit of the Waste Management Account No. 549. Assuming 10 municipalities would file applications, it is not expected that increased administrative costs and the corresponding revenue generated to cover those costs would be significant.

**Local Government Impact**

A municipality applying for a municipal setting designation (MSD) would incur costs to complete the application process and submit the application fee of \$1,000. However, these costs are not expected to have a significant impact on applicants' budgets. The municipality would also incur costs to notify interested parties of the MSD application.

Additionally, municipalities that obtained an MSD could incur some costs to regulate the pumping, extraction, or use of groundwater to prevent the use of or contact with groundwater that presents an actual or potential threat to human health. Retail public utilities as defined by Section 13.002, Water Code, would be exempt from the regulations.

**Source Agencies:** 304 Comptroller of Public Accounts, 501 Department of Health, 582 Commission on Environmental Quality

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