

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

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

**April 14, 2003**

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

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

**IN RE: HB3338** by Puente (Relating to requiring water rights applicants and holders, water utilities, and conservation and reclamation districts to adopt and implement certain water conservation measures.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would require water rights applicants and holders, retail and wholesale water suppliers, water supply corporations, water utilities, groundwater conservation districts, and reclamation districts to complete and file an annual water audit and performance indicators report with the Texas Commission on Environmental Quality (TCEQ) and the Texas Water Development Board (TWDB), with the first report due by March 1, 2004. The bill would require that the audit and report be based on methodology developed by the International Water Association.

Other issues addressed in the proposed statute include implementing and enforcing regulations prohibiting water waste through leaks, landscape irrigation, car washing, cooling misters or sprays, and once-through cooling equipment; adopting and enforcing rules requiring all existing plumbing fixtures meet existing state water savings performance standards by January 1, 2006; requiring water supply permittees to report on their accountability of groundwater use to groundwater districts; and requiring retail and wholesale water suppliers, groundwater districts, and conservation districts to adopt the new rules by January 1, 2004 and submit revised plans to the TCEQ by January 1, 2005.

The bill would take effect September 1, 2003.

According to analysis by TCEQ and TWDB, added responsibilities assigned to the agencies as a result of implementing the provisions of the bill would be absorbed using existing resources.

It is anticipated that costs incurred by units of local government that own, operate, or finance a water purveyor subject to the provisions of the bill would recoup costs by passing increased costs on to customers. A savings in reduced, or delayed new water supply development costs is also expected.

**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

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