

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

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

**April 17, 2003**

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

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

**IN RE: SB1656** by Madla (Relating to prohibiting the Texas Commission on Environmental Quality from amending, interpreting, impairing, or modifying a written contract for the provision of water.), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would prohibit the Texas Commission on Environmental Quality (TCEQ) from amending, interpreting, impairing, or modifying a written contract for the provision of raw or treated water. It would also require a petitioner seeking to compel water supply to show the commission that the petitioner has not entered into a contract with the party owning or controlling the water supply.

**Local Government Impact**

The bill could impact water contractors which include local governments, cities, districts, and other water utilities with contract issues. It is possible that units of local government purchasing water pursuant to a contract may no longer be able to seek rate relief from the TCEQ if it has a contract with the water supplier. It is also possible that units of local government that provide water would no longer have to expend funds to defend contract rates appealed to the TCEQ.

**Source Agencies:** 582 Commission on Environmental Quality

**LBB Staff:** JK, CL, TL