

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**February 21, 2005**

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

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB387** by Geren (Relating to prohibiting the Texas Commission on Environmental Quality from amending, interpreting, impairing, or modifying a written contract for the wholesale provision of water.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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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. The bill also would require a petitioner seeking to compel water supply to demonstrate to the TCEQ 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:** JOB, WK, ZS, TL, KJG