

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 24, 2005

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

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

IN RE: HB1763 by Cook, Robby (Relating to the notice, hearing, rulemaking, and permitting procedures for groundwater conservation districts.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1763, As Passed 2nd House: a negative impact of (\$592,539) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$314,110)
2007	(\$278,429)
2008	(\$278,429)
2009	(\$307,529)
2010	(\$278,429)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2005
2006	(\$314,110)	4.0
2007	(\$278,429)	4.0
2008	(\$278,429)	4.0
2009	(\$307,529)	4.0
2010	(\$278,429)	4.0

Fiscal Analysis

The bill would establish procedures that a groundwater conservation district would be required to follow when posting notice of conducting a hearing for the purpose of rulemaking or for considering permit and permit amendment applications, when conducting the hearings, when considering requests for permits and permit amendments, and when making decisions related to requests for rehearings on permit and permit amendment applications. The bill would also prohibit a permit or permit amendment applicant, or a party to a contested hearing, from filing suit against the district if a request for rehearing was not filed on time.

The bill would also provide that groundwater districts could appeal decisions of the Water Development Board relating to the state water plan and a groundwater district's plan. For conflicts not resolved within 45 days, mediation or alternative dispute resolution could be pursued. Costs for

mediation would be specified in an agreement with the dispute mediator.

Methodology

The Texas Water Development Board expects that the bill's passage would require 4.0 additional FTEs (legal staff) and related costs to handle conflict resolution, appeals, mediation, and rulemaking. These additional staff would also be needed to review petitions filed by persons with a legally defined interest in groundwater who would appeal the approval of groundwater district decisions.

Local Government Impact

The fiscal impact of changes in administrative responsibilities that would be imposed on a groundwater conservation district would vary by district. As an example, the Bee Groundwater Conservation District estimates that changes in requirements for posting notice of various hearings would cost the district an additional \$1,000 per year and that rule-changes would result in the district incurring a one-time cost of about \$7,500.

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

LBB Staff: JOB, WK, ZS, TL, DLBa