

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

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

**April 24, 2005**

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

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

**IN RE: HB2031** by Hilderbran (Relating to the regulatory authority of groundwater conservation districts.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Sections 36.101(a), 36.117, and 36.122 of the Water Code to specify that rules adopted by a groundwater conservation district would apply to wells on land owned by the state or a political subdivision. The bill would also prohibit a groundwater conservation district from exempting wells from permit requirements based solely on the fact the well is located on state land or a political subdivision's land. In addition, rules adopted by the district regarding the transfer of groundwater out of the district would apply to the state, a political subdivision, or an applicant seeking to transfer groundwater withdrawn from a well located on land owned by the state or a political subdivision.

The bill would take effect September 1, 2005.

Under current statute, there is no specification regarding to whom district rules apply. Also, current statute authorizes a district to allow exemptions from permit requirements, and the proposed statute would continue that authorization, making an exception however that the exemption could not be based solely on the fact the well is located on state-owned or land owned by a political subdivision.

The Texas Water Development Board, which owns and maintains wells on land owned by the state and by political subdivisions in various districts, and for which the districts have provided an exemption based on the purpose of those wells (monitoring aquifers), assumes those exemptions would continue, and therefore, the agency would not experience a fiscal impact as a result of passage of the bill.

The Texas Commission on Environmental Quality reports the agency would have to amend its guidance documents for groundwater conservation districts, but that those costs could be absorbed using existing resources.

**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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