

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 9, 2005

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

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

IN RE: HB2494 by Cook, Robby (Relating to the use of certain fees by groundwater conservation districts.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would authorize the use of certain fees collected by local groundwater conservation districts that adopt resolutions to support local water desalination projects. The board of each groundwater district that would adopt a resolution to support desalination projects would remit to the Texas Water Development Board (TWDB) an amount equal to 5 percent of the fee for each permit, permit renewal, or permit amendment issued by the district. These remittances would be deposited to a newly created General Revenue-Dedicated Water Desalination Account Desalination, which could be appropriated only to TWDB for desalination projects and associated administrative costs.

According to the TWDB, the majority of groundwater conservation districts do not collect permit fees, and for those that do collect such fees, the revenue stream is not significant. Therefore, passage of the bill could result in increased revenues to the state. However, the amount would depend on the number of districts adopting desalination resolutions and the permit fee revenue generated in those districts, and the revenue stream would not be expected to be significant.

Local Government Impact

A local water district adopting a resolution to support water desalination projects would lose 5 percent of its current permit revenue stream. The loss would depend on the size of the district, revenues collected, and permit fees assessed. Assuming most districts charge only a nominal fee for permits, the loss is not expected to be significant.

Source Agencies: 304 Comptroller of Public Accounts, 580 Water Development Board

LBB Staff: JOB, WK, ZS, TL