

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: HB2689 by Gallego (Relating to a temporary moratorium on the authority of the General Land Office to lease the right to produce groundwater from state land or facilitate a water marketing initiative.), **As Introduced**

The bill proposes a moratorium on groundwater leases on state lands by the General Land Office (GLO) and specifies that no state funds can be used to facilitate water marketing initiatives. The moratorium expires on September 1, 2007. The agency is not currently making groundwater leases, however, assuming the agency could lease 50,000 acre feet of water at \$100 per acre foot, the potential revenue gain to the Permanent School Fund would be \$5 million a fiscal year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 305 General Land Office and Veterans' Land Board

LBB Staff: JOB, WK, ZS, JF