

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

Revision 1

May 7, 2007

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

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

IN RE: HB2299 by Paxton (Relating to equipment used for irrigation systems.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would establish minimum standards for irrigation systems owned by the state or a political subdivision of the state. The bill would add definitions applying to irrigation systems, require political subdivisions to adopt ordinances regarding minimum standards for irrigation system equipment, and establish deadlines for the state and political subdivisions to demonstrate compliance with the standards set forth in the bill. Specifically the bill would require ordinances for qualifying irrigations systems to require an smart irrigation controls, an independent local rain and freeze shut-off device, and an the capability that the Texas Commission on Environmental Quality (TCEQ) established guidelines to exempt systems owned by the state or political subdivisions, if the cost to install smart controls exceeds water cost savings. The bill would also specify under which circumstances some irrigation systems would be exempt from complying with the proposed requirements, and it would specify that after January 1, 2011 irrigation systems sold or installed in the state must have smart controllers.

The TCEQ expects that it would receive inquires from the 254 county governments, over 1,000 municipal governments, and over 2,000 special districts affected by the bill. In addition, if adequate ordinances would not adopted by a number of political subdivisions, the agency might be required to verify local compliance with the model ordinance. However, this estimate assumes that any related resource requirements would not be significant to the agency.

State agencies that own landscape irrigation systems may be required to incur retrofitting costs estimated to range from \$1,000 to \$10,000, depending on system size, to install smart controllers if their systems are not already compatible with the bill's requirements. It is assumed any costs to install smart controllers would be offset by the cost savings for water use.

Local Government Impact

Local governments would be required to adopt ordinances as specified by the bill. Local governments that would be required to retrofit landscaping irrigation systems with smart controllers could incur costs associated with retrofitting irrigation systems. The TCEQ estimates such costs to range from \$1,000 to \$10,000 depending on the size of a system.

Local governments could also incur expenses because they would need to verify that existing systems comply with revised ordinances for irrigation systems. In some cases, political subdivisions would have to withhold certificates of occupancy for a residential or commercial structure until there is verification that the irrigation system associated with the structure is shown to be in compliance. Those political subdivisions that have current irrigation ordinances and enforcement procedures may have to modify their programs. Those without an existing irrigation ordinance may be required to contract for services to cover the assumed responsibilities and duties associated with the bill.

Source Agencies: 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board

LBB Staff: JOB, WK, TL