

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: HB3098 by Puente (Relating to the fees imposed by the Texas Commission on Environmental Quality in connection with plans that are subject to review and approval under the commission's rules for the protection of the Edwards Aquifer.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3098, As Engrossed: an impact of \$0 through the biennium ending August 31, 2009.

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
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from WATER RESOURCE MANAGEMENT 153	Probable Savings/(Cost) from WATER RESOURCE MANAGEMENT 153	Change in Number of State Employees from FY 2007
2008	\$335,687	(\$335,678)	4.0
2009	\$303,667	(\$303,667)	4.0
2010	\$303,667	(\$303,667)	4.0
2011	\$303,667	(\$303,667)	4.0
2012	\$303,667	(\$303,667)	4.0

Fiscal Analysis

The bill would give specific authority to the Texas Commission on Environmental Quality (TCEQ) to collect fees for Edwards Aquifer contributing zone plans, to increase fee caps for all Edwards Aquifer development plans from \$5,000 to \$6,500 and for for water pollution abatement or contributing zone plans for development of more than 40 acres, the maximum fee would be set at \$13,000. The bill also would provide that fees collected for the Edwards Aquifer Protection Program (EAPP) can be used for monitoring surface water, stormwater, and groundwater quality in the Edwards Aquifer program area developing geographic information systems (GIS) data layers for the EAPP.

Methodology

The bill would allow the TCEQ to increase functions such as enforcement activities, legal activities, development and review of scientific information to assess the effectiveness of the EAPP and develop GIS data layers to better evaluate the cumulative effects of development in both the recharge and contributing zones of the Edwards Aquifer. To adequately support the EAPP, the TCEQ projects that 4 full time equivalents (FTEs) will be needed: 2 for the San Antonio Regional Office EAPP and 2 for the Austin Regional Office EAPP at a cost of \$335,687 in fiscal year 2008 and \$303,667 in subsequent fiscal years. This estimate assumes that the TCEQ would assess fees on developments in the Edwards Aquifer area at a level sufficient to cover these costs. Fees would be deposited to and costs paid of the General Revenue-Dedicated Water Resource Management Account No. 153.

This estimate assumes that contracting costs for water quality monitoring and professional services to develop a GIS based tracking system could be absorbed using existing agency appropriations.

Local Government Impact

Local governments developing facilities in the Edwards Aquifer contributing zones could see cost increases associated with such projects as a result of the bill's passage. The increase would depend on the exact fee that the TCEQ would assess, and the cost increase could range from \$1,500 to \$8,000 more per project than under current law.

Source Agencies: 582 Commission on Environmental Quality

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