

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 15, 2007**

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

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

**IN RE: SB1691** by Duncan (Relating to groundwater conservation districts regulation of groundwater use by political subdivisions.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Water Code to stipulate that all persons, entities, and political subdivisions of the state are subject to groundwater regulation under Chapter 36, Water Code, except those exempt under Section 36.117.

The bill would also waive sovereign immunity for all political subdivisions of the state for the purpose of enforcing Chapter 36 and district rules.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

**Local Government Impact**

According to twelve groundwater conservation districts from around the state, the provisions of the bill would enhance the districts' ability to fulfill their mission, resulting in an incalculable savings. Several pointed out that the provisions of the bill would also result in an unknown, yet presumed significant, savings in legal costs should the district's regulation authority be challenged in court.

The fiscal impact for other political entities would vary depending on whether the entities are currently in compliance with groundwater regulations, and if not, the costs of actions necessary to come into compliance. If a political subdivision is sued regarding compliance, the waiver of sovereign immunity would result in legal expenses that would vary depending on legal fees and, if the entity were to lose, the cost of damages awarded by the court.

**Source Agencies:**

**LBB Staff:** JOB, WK, DB