

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 30, 2009**

**TO:** Honorable Allan Ritter, Chair, House Committee on Natural Resources

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

**IN RE: HB2112** by Walle (Relating to the location of water utility rate hearings conducted by the Texas Commission on Environmental Quality.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2112, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from <i>Water Resource Management</i> 153	Change in Number of State Employees from FY 2009
2010	(\$550,049)	6.0
2011	(\$455,549)	6.0
2012	(\$455,549)	6.0
2013	(\$455,549)	6.0
2014	(\$455,549)	6.0

**Fiscal Analysis**

The bill would require the Texas Commission on Environmental Quality (TCEQ) to hold contested case hearings on utility rate cases within the service area of the utility that is the subject of the hearing.

**Methodology**

The TCEQ reports that it processes between 85 and 100 rate cases each fiscal year. The bill would require that the agency travel for each of these cases. Because of the significant time the bill would require agency staff to be away from the office, it is anticipated that 6.0 FTEs would be required to handle rate case hearings, in addition to the 8.0 FTEs the agency already has performing this function. Travel costs of \$12,000 per year, along with additional funds for computers, furniture and equipment, and two additional vehicles are included in the costs shown in the table above.

This estimate assumes that costs associated with the bill would be paid out of the Water Resource Management Account No. 153.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated. Some local governments involved in rate case hearings could experience cost savings because they would no longer be required to travel to Austin to attend hearings.

**Source Agencies:** 582 Commission on Environmental Quality

**LBB Staff:** JOB, WK, ZS, TL