

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

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

**March 24, 2009**

**TO:** Honorable Byron Cook, Chair, House Committee on Environmental Regulation

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

**IN RE: HB2807** by Maldonado (Relating to the water pressure standards for fire hydrants in certain municipalities.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would lower the population limit from 100,000 to 10,000 for entities subject to regulation by the Texas Commission on Environmental Quality (TCEQ) relating to the minimum water pressure for fire hydrants. The TCEQ would have to ensure that such areas are in compliance with standards set forth in statute for fire hydrant pressures. The bill would not limit the authority of municipalities of 10,000 or more from acting as a regulatory authority to prohibit a public utility in violation of a standard established by the municipality from recovering through the public utility's rates a penalty or fine incurred for a violation of a standard.

Although the bill is expected to increase the workload of the TCEQ, because it would add a significant number of municipalities to the list of entities for which it must assess standards and review ordinances, passage of the bill is not expected to have a significant fiscal impact on the agency.

**Local Government Impact**

A regulatory authority for a public utility would be required to adopt standards for maintaining sufficient water pressure for service to fire hydrants in a residential area of a municipality with a population of 10,000. Public utilities would be required to upgrade water lines, add additional storage, and add additional service pump and water capacity within a reasonable time. The fiscal impact to local governmental entities could be significant depending on upgrades that locally owned public utilities would be required to make to comply with the provisions of the bill.

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

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