

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**May 23, 2009**

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

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

**IN RE: HB3526** by Callegari (Relating to the powers and duties of the Texas Water Development Board and related entities, including the funding of projects by the board and the composition, duties, recommendations, and expenses of entities created to study and provide advice regarding environmental flows.), **Committee Report 2nd House, Substituted**

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

The bill would amend the Water Code to require the Water Development Board (TWDB) to adopt rules specifying the manner in which any capitalization grant under the State Water Pollution Control Revolving Fund, the Safe Drinking Water Revolving Fund, or any additional state revolving fund, may be used to provide financial assistance to an eligible applicant. The bill would also authorize TWDB to expeditiously adopt rules to comply with the terms of a special capitalization grant or other source of federal funding.

The bill would authorize TWDB to not approve an application recommended through the state and regional water planning process for funding from the Water Infrastructure Fund, the Disadvantaged Rural Community and Wastewater Financial Assistance Fund, and the State Participation Account if an applicant has failed to complete a request for information relevant to the project, including a water infrastructure financing survey.

The bill would require TWDB to appoint members of the Environmental Flows Advisory Committee, the Science Advisory Committee, and the Basin and Bay Area Stakeholders Committee. The bill would require TWDB to establish a schedule for the development of environmental flow regime recommendations and the adoption of environmental flow standards for certain river basin and bay systems or river basins.

TWDB indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

The section of the bill relating to the advisory committees would take effect September 1, 2009; all other parts of the bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house; otherwise it would take effect September 1, 2009.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 580 Water Development Board

**LBB Staff:** JOB, SZ, AH, SD