

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 9, 2009

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

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

IN RE: SB1748 by Jackson, Mike (Relating to the issuance of a certificate for a municipal setting designation.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would modify the process in which municipalities and retail public utilities participate in determining the applicability of a Municipal Setting Designation (MSD) for the restriction of use of groundwater in a specific area. The bill would require that applications for municipal setting designations include notice of a 120-day period that a municipality or public utility would have to pass a resolution opposing the application. The bill would change the current prerequisite that relevant local municipalities and retail public utilities actively support the MSD by adopting a resolution supporting the issuance of an MSD in a given area. The bill would instead give local municipalities and retail utilities a role in the MSD process only by voicing their active opposition. Although the bill would impact the Commission on Environmental Quality's MSD application process, no significant fiscal impact to the state is expected.

Local Government Impact

A municipality that opposes an MSD application but does not voice active opposition to the designation prior to the MSD approval could face a reduced access to water resources which, in some cases, could lead to higher costs of finding supply elsewhere. Because this situation is expected to be rare, no significant fiscal impact to local governments is expected as a result of the bill's passage.

Source Agencies: 582 Commission on Environmental Quality

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