

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 8, 2009

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

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

IN RE: SB2319 by Averitt (Relating to the creation of a groundwater conservation district in a priority groundwater management area.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Water Code concerning the composition of groundwater conservation districts (GCDs) and priority groundwater management areas (PGMAs). The bill would remove the option for the Texas Commission on Environmental Quality (TCEQ) to recommend areas not currently in a GCD to be included in a PGMA. A portion of those areas without a GCD may also be added to an existing GCD. For areas without a GCD in a designated PGMA, the bill would require TCEQ to create one or more new GCDs. The bill provides that TCEQ must create a GCD composed of territory within two or more contiguous or non-contiguous counties, and that the agency may create a single county GCD in a PGMA only if a single county in the PGMA remains without a GCD, or the other areas are not contiguous and TCEQ determines that creating a single GCD composed of the noncontiguous areas would be less effective or efficient for management of the groundwater resources than creating a GCD composed of the single county.

The bill would require a GCD to vote on the recommended addition of all or part of a PGMA within 120 days of receiving a copy of the TCEQ order. If the GCD pursues the recommended addition of the PGMA, it must hold the election within 270 days of the date of the board's vote to pursue the addition. The bill provides that if the proposition to add the PGMA to the GCD is defeated, TCEQ must create a GCD prior to the second anniversary of the date of the Commission's PGMA designation order, or 180 days later if that date falls within a legislative session and a bill has been filed to create a GCD in all or part of the PGMA.

The bill provides that the Commission may modify the GCD recommendation issued in the PGMA designation order to reflect the failure of an area to be added to an existing GCD, to account for the creation of any new GCDs, or to reflect the addition of any the PGMA to an existing GCD during the intervening period.

TCEQ would be prohibited prior to September 1, 2011, from creating a GCD in a PGMA in a single county if total surface water use is more than 50 times the total amount of groundwater production.

Based on analysis by TCEQ, it is assumed the agency could implement provisions of the bill using existing resources.

Local Government Impact

Groundwater conservation districts would be required to hold an election if the board pursues the addition of a PGMA and would therefore incur election costs, which vary by district.

Source Agencies: 582 Commission on Environmental Quality

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