

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

Revision 1

May 6, 2011

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

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

IN RE: HB2166 by Price (Relating to the procedures for and appeals of desired future conditions adopted by groundwater management areas.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Water Code to alter the procedures for determining the desired future conditions adopted by a groundwater conservation district (GWCD) in a groundwater management area. The bill would specify public hearing procedure for board meetings or hearings regarding the desired future conditions for an aquifer. In developing a management plan, a GWCD would be required to address desired future conditions as established by the bill. In the annual meeting of GWCDs in a groundwater management area, the district representatives would be required to review proposals to adopt new or amend existing desired future conditions.

The process for adopting desired future conditions would be altered, including: conditions a district must address when adopting desired future conditions, notice and 30 to 90 days of comment in individual districts before adopting desired future conditions, and the use of joint meetings. Before adopting the desired future conditions in a resolution, a district would be required to submit a report confirming adherence to all sections of the bill and discuss why individual future conditions were adopted.

In order to assist in developing desired future conditions, the Texas Commission on Environmental Quality and the Texas Water Development Board would be required to make technical staff available upon request. During a joint planning session, district representatives would be able to appoint outside representatives to assist in the development of future desired conditions.

The bill would expand the number of individuals deemed an affected person with the ability to petition for inquiry in regard to the management plan and adoption of future desired conditions. The bill would create the process for administrative appeal of desired future conditions. An affected person could file a petition requesting a district contract with the State Office of Administrative Hearings to appeal the desired future conditions. A final decision from a district could be appealed to the Travis County district court under certain circumstances.

A district would be required to submit desired future conditions to the Texas Water Development Board. If any sections of the bill are not followed, the Texas Commission on Environmental Quality would have authority to take action against a district.

The Office of Administrative Hearings anticipates any additional work resulting from the passage of the bill could be reasonably absorbed within current resources. Additional work from appellate hearings would result in approximately 500-1000 hours of case related time per year.

The Water Development Board, the Office of Court Administration, and the Sunset Advisory Commission do not anticipate any significant fiscal impact to the state.

Local Government Impact

Several groundwater conservation districts reported there could be a cost of \$15,000 due to additional public notices and hearings and additional expense for the groundwater management area. This represents between 16 percent and 60 percent of the total budget for these districts.

Source Agencies: 116 Sunset Advisory Commission, 212 Office of Court Administration, Texas Judicial Council, 360 State Office of Administrative Hearings, 580 Water Development Board

LBB Staff: JOB, SZ, JB