

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 3, 2011

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

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

IN RE: HB2398 by Miller, Sid (Relating to the ownership of and right to produce groundwater.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Water Code to reaffirm ownership rights of groundwater in place and right to produce groundwater for landowners. The bill also would limit the rulemaking authority of groundwater conservation districts by requiring any rule to be consistent with Sections 3, 17, and 19 of Article 1 of the Texas Constitution and the Fifth and Fourteenth Amendments to the United States Constitution.

Local Government Impact

There could be a significant negative fiscal impact to a groundwater conservation district to comply with the provisions of the bill, but the amounts would vary depending on current procedures and if a district had to resolve a compliance matter in court.

According to the Bee Groundwater Conservation District, the Live Oak Underwater Conservation District, and the McMullen Groundwater Conservation District, the bill would have a significant negative fiscal impact on groundwater conservation districts for compliance with the mentioned statutes. The budget for Live Oak is \$55,000; the budget for McMullen is \$25,000; and the budget for Bee is \$100,000. The retainer fee would be a burden on all of the districts, not including the costs for a lawsuit that could require more than 100 percent of a district's budget and reserve funds. A district would likely have to plan for at least one lawsuit.

Source Agencies:

LBB Staff: JOB, SZ, TP