

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 3, 2011

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

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

IN RE: **HJR138** by Ritter (Proposing a constitutional amendment providing for the creation and funding of the state water implementation fund for Texas to assist the Texas Water Development Board in the funding of certain projects included in the state water plan.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HJR138, Committee Report 1st House, Substituted: a negative impact of (\$105,495) through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$105,495)
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from System Benefit Account 5100	Probable Revenue Gain/ (Loss) from State Water Implementation Fund for Texas
2012	(\$105,495)	\$0	\$0
2013	\$0	\$0	\$0
2014	\$0	(\$500,000,000)	\$500,000,000
2015	\$0	\$0	\$0
2016	\$0	\$0	\$0

Fiscal Analysis

The joint resolution would create the State Water Implementation Fund for Texas in the state treasury to provide a method for financing projects included in a statewide water plan. Money deposited to the credit of the fund would be administered, without further appropriation, by the Water Development Board. The resolution would authorize the Legislature to provide for the imposition of a fee or tax which would be deposited to the credit of the State Water Implementation Fund for Texas; prescribe the manner in which money in the fund may be used; and would require the Legislature, by general law, to provide for the imposition of a public water supply service connection fee to be collected by a water utility from the utility’s customers. The resolution would authorize the Comptroller to

determine the rate of the fee by rule, which is not to exceed the following rates: \$1 per month for residential use; \$5 per month for commercial use; and \$100 per month for industrial use.

The resolution would transfer from the System Benefit Fund to the State Water Implementation Fund for Texas the lesser of \$500 million or the available balance of the System Benefit Fund on September 1, 2014.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 8, 2011.

Methodology

The cost to the state for publication of the resolution would be \$105,495 in fiscal year 2012 out of the General Revenue Fund.

This analysis assumes there would be a transfer of \$500 million from the System Benefit Fund to the State Water Implementation Fund for Texas in fiscal year 2014.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 580 Water Development Board

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