

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 21, 2011**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate

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

**IN RE: SB660** by Hinojosa (Relating to the review and functions of the Texas Water Development Board, including the functions of the board and related entities in connection with the process for establishing and appealing desired future conditions in a groundwater management area. ), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

This bill would require the Office of the Attorney General to, upon request of the Water Development Board (TWDB), take legal action to compel a recipient of TWDB's financial assistance to cure or prevent default in payment. The bill would require TWDB and the Commission on Environmental Quality (TCEQ), in consultation with the Water Conservation Advisory Council, to develop a uniform system for reporting municipal water use and require entities to use this methodology when submitting water conservation plans and reports to TWDB or TCEQ. The bill would abolish the Texas Geographic Information Council and clarify the Texas Natural Resources Information System's responsibilities related to coordinating and advancing geographic information initiatives in the state. The bill would require TWDB, as part of the State Water Plan, to evaluate the state's progress in meeting its future water needs and include an analysis of how many state water plan projects received its financial assistance. The bill would establish a process whereby non-self supporting general obligation water bonds could be removed from the Constitutional Debt Limit under certain circumstances. The bill would require groundwater management areas to document consideration of factors or criteria to be considered in adopting desired future conditions and to submit that documentation in an explanatory report to TWDB. The bill would require groundwater conservation districts to adopt relevant desired future conditions. The bill would modify TCEQ's petition process to define affected persons, clarify timelines, and ensure the reasons for filing a petition correspond with the bases for TCEQ to take action to ensure consistency.

The bill would allow for the consolidation of desired future conditions petitions under the State Office of Administrative Hearings appeal process and clarifies that matters subject to a petition for injury at TCEQ cannot be appealed to SOAH and vice versa.

The bill would require municipalities and water utilities with more than 3,300 connections to implement reporting measures established by TWDB and TCEQ. Municipalities and water utilities would be required to implement the reporting measures only at a level currently available to the entity. TCEQ could not adopt a rule that would require an entity to report water use data that is more detailed than the entity's billing system is capable of producing; however, the rules may require billing systems purchased after September 1, 2011, be capable of reporting detailed water use data as described in the subchapter.

The bill would broaden the requirement for entities to report sector-based water use to TWDB and TCEQ and requires TWDB to submit a report to the Legislature each odd-numbered year beginning Jan 1, 2015 relating to statewide water usage in the sectors and the data collection program.

The bill would specify that data included in a water conservation plan or report must be interpreted in the context of variations in local water use and may not be the only factor considered by TCEQ in determining the highest practicable level of water conservation and efficiency achievable in the

jurisdiction of a municipality or water utility for interbasin transfers.

The bill would require the Railroad Commission to require disclosure of water usage and composition of hydraulic fracturing fluids and for TWDB to use reported water usage in water planning.

Based on the analysis of TWDB, TCEQ, and the Sunset Advisory Commission, it is assumed that any costs associated with the bill could be absorbed within current resources.

The bill would take effect September 1, 2011.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 580 Water Development Board, 582 Commission on Environmental Quality

**LBB Staff:** JOB, SZ, ZS, AH, KM, KKR