

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 15, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1189 by Larson (Relating to interstate cooperation to address regional water issues.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB1189, As Introduced: a negative impact of (\$712,596) through the biennium ending August 31, 2015.

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
2014	(\$358,458)
2015	(\$354,138)
2016	(\$354,138)
2017	(\$354,138)
2018	(\$354,138)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2013
2014	(\$358,458)	1.0
2015	(\$354,138)	1.0
2016	(\$354,138)	1.0
2017	(\$354,138)	1.0
2018	(\$354,138)	1.0

Fiscal Analysis

The bill would amend the Water Code to change the name, size, and manner of appointment of the Multi-State Water Resources Planning Commission (MSWRPC) to the Southwestern States Water Commission (SSWC). The SSWC would advise the Governor and the Legislature on water needs and water supply alternatives of the region in cooperation with neighboring states and Mexico.

The SSWC would be comprised of six commissioners: two appointed by the Governor, two appointed by the Lieutenant Governor, and two appointed by the Speaker of the House.

Under bill provisions, the SSWC would be required to evaluate expanded criteria of a region's water needs including: environmental water needs; energy production effects on water needs; effect of take or pay provisions in water supply contracts; and rights to and uses of water. In addition, the SSWC would be charged to negotiate compacts with neighboring states on the following topics: identification and development of sources and methods of augmenting regional water supplies after existing water supplies are fully committed; water planning, including drought contingency planning; funding for water supply projects; and legislation needed to address water supply needs.

The bill would take effect September 1, 2013.

Methodology

The Water Development Board (WDB) estimates that an additional staff position (1 Geoscientist) would be required to prepare the evaluation of expanded criteria for topics not currently studied by the WDB, as well as topics that may be requested by the SSWC. The anticipated salary and benefits costs for the 1 FTE would be \$103,313 each fiscal year. In addition to the new position, the agency anticipates an on-going need for contractors to perform studies for the SSWC at an estimated cost of \$250,000 per fiscal year. In cooperation with the efforts of the one Geoscientist position, these studies would be necessary to evaluate regional water issues affecting Texas and Louisiana, Arkansas, Oklahoma, New Mexico and Mexico. In addition to these expenses, this estimate includes one-time costs of \$4,320 in fiscal year 2014 for the new staff position, and annual operating expenses of \$825 in fiscal year 2014 and each year thereafter.

The Texas Commission on Environmental Quality indicates it could absorb any costs associated with the bill within the commission's current resources.

This fiscal analysis is limited to the cost of implementing the new duties identified for the SSWC in bill provisions. The costs associated with the operation and duties of the SSWC's predecessor, the MSWRPC, which was established by the Sixty-ninth Legislature in 1985, but never implemented, are not included in the tables above. Under bill provisions, the MSWRPC is replaced by the newly created SSWC. Since the MSWRPC was never implemented, there may be other additional costs associated with the SSWC. However, these costs are not included in the table above as they are not the result of the current bill under consideration, but of previously enacted legislation.

Local Government Impact

Bill provisions would not result in a direct fiscal implication to units of local government.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board

LBB Staff: UP, SZ, ZS, TB, TL