

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 30, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB2334** by Callegari (Relating to the regulation, development, and treatment of brackish and marine water.), **Committee Report 1st House, Substituted**

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

The bill would allow water supply entities to use marine seawater for any beneficial purpose without obtaining a water rights permit. It would also exempt water diverted from the Gulf of Mexico from certain rules relating to interbasin transfers. The bill would require the Texas Commission on Environmental Quality (TCEQ) to adopt rules to allow water treated by a desalination facility to be used as public drinking water. It is assumed that the TCEQ also would be required to approve all desalination construction plans. It is assumed that any cost to the TCEQ in implementing the bill's requirements are expected to be absorbed using existing agency resources. Based on information provided by the Comptroller of Public Accounts, it is estimated that TCEQ may see a loss in application fees from water rights permits; however it is not estimated that this will be significant.

The bill would amend the Water Code to provide that the Water Development Board (WDB) submit an annual report, rather than a biennial report, to the Lt. Governor, Speaker and Governor each fiscal year related to inland and seawater desalination studies and research. Bill provisions would add a new element to be considered in the report relating to public-private partnerships relating to certain technologies, as described. This analysis assumes the WDB could perform duties under this provision of the bill within the WDB's existing resources.

The bill amends the Education Code relating to the establishment of the Texas Center for Innovative Desalination Technology ("Center") as a partnership between the University of Houston, The University of Texas at Brownsville, and The University of Texas at El Paso. Under the provisions of the bill, the Center is established as a partnership between the three institutions with control and management vested with the board of regents of the University of Houston System and the board of regents of The University of Texas System and a memorandum of understanding between the institutions. Under the provisions of the bill, certain faculty and staff from the institutions may participate in the Center's activities and the boards may solicit, accept, and administer gifts and grants from any public or private sources. The provisions of the bill regarding this center expire on September 1, 2023. According to information provided by The University of Texas System Administration and University of Houston System, the institutions can absorb the cost of implementation of the bill within existing resources.

## **Local Government Impact**

The TCEQ reports that the bill would only impact local governments that choose to appropriate brackish or marine water. With the exemption, water rights permit applicants for these types of projects would save application fees, use fees, and watermaster fees, if they are in a located in a watermaster area. The savings would vary depending on the type of application that would otherwise be required.

**Source Agencies:** 304 Comptroller of Public Accounts, 455 Railroad Commission, 580 Water Development Board, 582 Commission on Environmental Quality, 720 The University of Texas System Administration, 783 University of Houston System Administration

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