

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

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

**March 17, 2013**

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

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

**IN RE: HB2452** by Bonnen, Dennis (Relating to the appointment of a watermaster for the Brazos River Basin.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2452, As Introduced: an impact of \$0 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	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>Watermaster Administration</i> 158	Probable Revenue Gain/(Loss) from <i>Watermaster Administration</i> 158	Change in Number of State Employees from FY 2013
2014	(\$674,431)	\$675,431	7.0
2015	(\$500,709)	\$500,709	7.0
2016	(\$500,709)	\$500,709	7.0
2017	(\$500,709)	\$500,709	7.0
2018	(\$500,709)	\$500,709	7.0

## **Fiscal Analysis**

The bill would require the Texas Commission on Environmental Quality (TCEQ) to create a water division for the entire Brazos River Basin, and for the agency's executive director to appoint a Watermaster for the newly created division.

## **Methodology**

This estimate assumes that the newly created watermaster program for the Brazos River basin would function much like the three existing watermaster programs at the TCEQ.

The TCEQ expects that passage of the bill would result in the agency being required to conduct 8,000 additional inspections and investigations per year along the Brazos River Basin. Based on staffing levels for existing watermaster programs, an additional 7.0 FTEs are expected with annual costs of \$500,709 per year. In fiscal year 2014, \$194,300 in start-up costs are expected. Because the TCEQ's watermaster programs are self-supporting, with water-rights holders in each watermaster area paying fees which are deposited to the General Revenue-Dedicated Watermaster Administration Account No. 158, this estimate assumes that the agency would set fee rates at an amount to generate sufficient revenue to cover the costs associated with the new program.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated. Although local governments could see cost increases based on the amount of water authorized in an entity's water permit, the cost of the new program would be shared by local governments and private entities and persons across the entire Brazos River Basin. Given the overall program cost, fees paid by any affected local government would not be expected to be significant.

**Source Agencies:** 582 Commission on Environmental Quality

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