

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 13, 2013

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3234** by Ritter (Relating to the procedure for action by the Texas Commission on Environmental Quality on an application for a water right.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Water Code to establish new deadlines for processing water right permits and amendments. Timeframes for permitting actions would be established for applicants and the Texas Commission on Environmental Quality (TCEQ). Applicants would be allowed to request time extension for submitting responses. Not later than 180 days after the TCEQ receives an application, the executive director would be required to provide notice to an applicant as to whether the application is administrative complete or requires additional information. Upon determination that an application is administratively complete, the TCEQ would conduct a technical review of the application. The TCEQ would be required to grant or deny a permit not later than 300 days after an application is received.

The bill would limit the ability of the TCEQ to refer an issue to the State Office of Administrative Hearings (SOAH) to certain conditions as provided in the bill. In cases where the TCEQ would grant a request for a SOAH hearing, the hearing could not exceed 270 days.

Changes made by the bill would apply only to applications for new or amended water rights filed with the TCEQ on or after the effective date of the bill. The bill would also provide for the TCEQ to extend the period for technical review of an application by up to 18 months if certain conditions are met.

The bill would take effect immediately if it would receive a two-thirds vote in both houses. Otherwise, it would take effect on September 1, 2013.

The TCEQ reports that the agency is receiving an increasing number of complex water rights applications, and that under current law there are no statutorily imposed deadlines for processing them. Because the bill would limit the number of days the agency could take to finalize an application, the TCEQ expects that it would need to apply greater resources to water rights permitting activities to meet the requirements of the bill. This analysis assumes that the agency would absorb this cost increase using existing resources.

SOAH reports that the bill should not have any significant operational or fiscal impact on the agency.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Some local governments that are water rights applicants could benefit from the bill's proposed application deadlines.

Source Agencies: 360 State Office of Administrative Hearings, 582 Commission on Environmental Quality

LBB Staff: UP, SZ, TL