

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

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

**March 24, 2013**

**TO:** Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

**IN RE: SB958** by Fraser (Relating to the liability of certain special-purpose districts or authorities providing water to a purchaser for the generation of electricity.), **As Introduced**

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

The bill would add a new chapter to the Civil Practice and Remedies Code waiving sovereign immunity for local districts or authorities for certain water supply contract claims. The bill specifies procedural matters and remedies relating to such claims. The Office of Court Administration does not anticipate any significant fiscal impact to the court system resulting from the bill. The bill would take effect immediately if receiving a two-thirds vote of each house, otherwise September 1, 2013.

**Local Government Impact**

Tarrant Regional Water District (TRWD) estimates annual costs of \$850,000 associated with the bill: \$50,000 in annual administrative costs; \$200,000 in new costs for contracts; and \$500,000 annually for legal defense. TRWD noted that in the event of a drought or a pipeline break, TRWD would be vulnerable to lawsuits, which would have indeterminate but significant costs.

The Northwest Texas Municipal Water District (NTMWD) estimates annual costs of \$1,820,000 associated with the bill: \$20,000 in new costs for contracts; \$150,000 for legal defense; and, an estimated \$1,650,000 in potential liability in the event of a lawsuit.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 580 Water Development Board

**LBB Staff:** UP, AG, ZS, AM, KKR