

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 15, 2015**

**TO:** Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

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

**IN RE: HB2031** by Lucio III (Relating to the diversion, treatment, and use of marine seawater and the discharge of treated marine seawater and waste resulting from the desalination of marine seawater; adding provisions subject to a criminal penalty.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would establish Chapter 18 of the Water Code relating to Marine Seawater Desalination Projects. The bill would require a water supply entity to obtain a permit to divert and use state marine water under certain circumstance. The bill would require water supply entities to obtain a permit from TCEQ to discharge marine seawater into streams and lakes, as well as to discharge waste resulting from the desalination of marine seawater into the Gulf of Mexico. The Texas Commission on Environmental Quality (TCEQ) would be required to adopt rules providing an expedited procedure for acting on applications for such permits.

The bill would require the Texas Parks and Wildlife Department (TPWD) and the General Land Office (GLO) to jointly conduct a study to identify zones in the Gulf of Mexico that are appropriate for the diversion of marine seawater, as well as another study to identify zones that are appropriate for the discharge of waste resulting from the desalination of marine seawater and waste resulting from desalination. Not later than September 1, 2020, the TCEQ would be required to adopt rules designating appropriate diversion zones. Until such time that such diversion zones are designated, a water supply entity would be required to consult TPWD and GLO regarding their application.

The bill would require that regional water plans to identify opportunities for and the benefits of developing large-scale desalination facilities for marine seawater that serve local or regional entities.

The bill would require the TCEQ to adopt rules to allow water treated by a desalination facility to be used as public drinking water and ensure that water treated by a desalination facility meets certain standards.

Although there could be some costs to the TCEQ, TPWD and GLO, this estimate assumes those costs would not be significant and could be absorbed using existing resources. Although the GLO expects costs to hire outside expertise to evaluate the impact of marine organisms, this estimate assumes that TPWD would provide such expertise, and the studies would use existing TPWD data, thereby reducing the need for significant expenditures on outside expertise.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 473 Public Utility Commission of Texas, 580 Water Development Board, 582 Commission on Environmental Quality, 802 Parks and Wildlife Department

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