

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 15, 2015

TO: Honorable Jim Keffer, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2308** by Keffer (Relating to the consideration by the Texas Commission on Environmental Quality of the economic impact of an appropriation of state water in determining whether to grant an application for the appropriation.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require applicants for water rights permits to submit an economic impact study with their application to the Texas Commission on Environmental Quality (TCEQ) for a new or amended water rights permit. The study would assess how approval or denial of the application would economically impact the affected communities. TCEQ would be required to consider the economic impact, if any, of the issuance or denial of a permit or amendment application on any community affected by its issuance or denial. The bill would also provide for TCEQ to require an applicant to take reasonable actions to mitigate any adverse economic impacts on affected communities, if the permit or amendment were issued.

TCEQ would require additional staff resources to assess economic impacts, review submitted studies, and assess mitigation actions. This estimate assumes that these cost would not be significant and that the agency could absorb these costs using existing agency resources within its water permitting program budget.

Local Government Impact

Under the provisions of the bill, local governmental entities that apply for new water rights or water right amendments would be required to develop and submit economic impact studies as part of the application. The fiscal impact to units of local governmental would vary, depending on the size of the entity and the cost of the required study relative to the entity's available resources.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: UP, SZ, TL, KVe