

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 8, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2892 by Murr (Relating to the procedure by which the Texas Commission on Environmental Quality may designate a watercourse as navigable.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would enable the Texas Commission on Environmental Quality (TCEQ) to designate a watercourse as a navigable stream for the purposes of: water rights; conducting surveys under Chapter 21 of the Natural Resources Code; validating patents or awards issued on lands lying across or partly across watercourses or navigable streams; and validating deeds of acquittance issued on lands lying across or partly across watercourses or navigable streams.

The bill would stipulate certain requirements the TCEQ would have to meet before designating a watercourse as a navigable stream to include: a gradient boundary survey performed by a registered professional land surveyor of the watercourse; notice to all property owners with property next to or under the watercourse; and a public hearing. Additionally, the bill would allow the TCEQ to receive evidence either through oral testimony or through affidavit to support or oppose the designation. The bill would take effect September 1, 2015.

The TCEQ would likely require additional expertise in the way of land surveying services, which it currently does not possess. This estimate assumes that the agency could use existing resources in its water rights and water resources assessment and planning programs to acquire the expertise necessary to implement the provisions of the bill.

The General Land Office (GLO) reports that lease revenues mainly associated with oil and gas extraction from state-owned lands in navigable streams has generated from \$14.7 million to \$32.3 million per fiscal year for the Permanent School Fund (PSF) since fiscal year 2010. The GLO also reports that the bill could effect revenues to the PSF because it could affect the amount of state lands designated as navigable streams by allowing TCEQ to un-designate such lands under the provisions of the bill. This analysis assumes that any re-designations that might occur would not be due to the bill, but rather to lands possibly being designated incorrectly under current law because the bill does not specifically provide for a process for the TCEQ to un-designate watercourses from being considered navigable streams.

Local Government Impact

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

Source Agencies: 305 General Land Office and Veterans' Land Board, 582 Commission on Environmental Quality

LBB Staff: UP, SZ, MW, TL, TB