

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

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

**April 14, 2015**

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

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

**IN RE: HB3413** by Frank (Relating to a general permit to convey water using the bed and banks of a natural stream channel; authorizing a fee.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3413, As Introduced: an impact of \$0 through the biennium ending August 31, 2017.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2016	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from <i>Water Resource Management</i> 153</b>	<b>Probable Revenue Gain/(Loss) from <i>Water Resource Management</i> 153</b>
2016	(\$243,078)	\$243,078
2017	(\$230,078)	\$230,078
2018	(\$230,078)	\$230,078
2019	(\$230,078)	\$230,078
2020	(\$230,078)	\$230,078

## **Fiscal Analysis**

The bill would establish a process for the Texas Commission on Environmental Quality (TCEQ) to issue general permits for the conveyance of "developed water," as defined by the bill, using "natural stream channels," also as defined by the bill. The bill would provide for the contents of such general permits to include the following: a deadline and required information for submitting a notice of intent to use the permit; conditions of the permit to include authorization to divert the amount discharged less carriage losses, protection of existing water rights, prevention of unreasonable effects on fish, wildlife, instream uses, and freshwater inflows, development of an accounting plan, protection of water quality including not allowing degradation of water quality in the affected natural stream channel segment to the extent that the water quality classification of the segment would be lowered, existing uses of water and promotion of efficient water use. A general permit would not authorize a person to store water in a reservoir without consent of the owner of the reservoir.

The bill would establish a 30 year time limit for general permits for conveyance. The bill also includes procedures to amend, revoke, cancel, or renew the general permit. The bill would provide that developed water would not be subject to appropriation, and that the TCEQ must include developed water conveyed under the general permit in its water availability models. The bill would authorize the TCEQ to impose reasonable and necessary fees to administer the general permits for conveyance established by the bill.

The bill would take effect September 1, 2015.

## **Methodology**

The TCEQ expects to incur costs associated with public notice requirements that would apply to the general permit program established by the bill. The TCEQ also would require additional resources to incorporate the general permits authorized by the bill into its water availability models, because the agency reports that many of the conveyances of water covered under these new general permits would not otherwise be included in current models. Additional resources would also be needed to process additional general permits, respond to public comments, and other duties resulting from the additional permits the agency would expect to receive. The agency estimates that 3.0 FTEs would be needed to cover the additional workload created by the bill. Costs associated with these additional FTEs and public notification costs are estimated in the table above at \$243,078 in fiscal year 2016 and \$230,078 in future fiscal years. This estimate assumes those costs would be paid out of the General Revenue-Dedicated Water Resource Management Account No. 153.

Based on information provided by TCEQ, this estimate assumes that costs associated with implementing the provisions of the bill would be covered through new fee generated revenues to the Water Resource Management Account No. 153 because the bill would authorize the TCEQ to assess reasonable and necessary fees on persons covered by a general permit. The estimated revenue gain is reflected in the table above.

## **Local Government Impact**

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

**Source Agencies:** 582 Commission on Environmental Quality

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