

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 1, 2017

TO: Honorable Lyle Larson, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB352** by Murr (relating to the procedure by which a state agency may issue an opinion that a watercourse is navigable.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require a state agency seeking to issue an opinion as to whether a watercourse or portion of a watercourse is a navigable stream for various purposes under state law to either obtain a survey of the watercourse (or portion thereof) or obtain from the General Land Office (GLO) an opinion that a gradient boundary is not required in order to determine whether the watercourse (or portion thereof) is, in fact, a navigable stream.

The bill would require a state agency seeking such watercourse designations to provide notice to all property owners with property next to or under the watercourse, hold a public meeting for which any person may appear in person or through a writing to offer support for or objection to the designation, and deliver a written opinion regarding the navigability of the watercourse to each person to whom notice was provided. The bill would also allow an aggrieved party the right to appeal an agency's decision in such matters. The bill would exempt from these requirements a state agency's reissuance of an opinion if that opinion was previously issued by another state agency.

The Texas Commission on Environmental Quality (TCEQ) reports that the agency would likely require additional expertise in the way of land surveying services, which the agency does not currently possess. This estimate assumes that TCEQ could use existing resources in its water rights and water resource planning programs to acquire the expertise necessary to implement the provisions of the bill.

GLO reports that the Permanent School Fund (PSF) owns the mineral estate in river beds and channels and that any change in the amount of acreage making up the state's navigable streams could affect future oil and gas revenue for the PSF. GLO estimates an indeterminate fiscal impact due to changes to PSF acreage being unknown; however, this estimate assumes that other state agencies seeking to issue opinions as to whether watercourses should be considered navigable streams would occur only in rare instances. As such, the bill is not expected to have a significant fiscal impact on such agencies.

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, MSO, PBO