

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 25, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2377 by Larson (Relating to the development of brackish groundwater.), **As Passed**
2nd House

No significant fiscal implication to the State is anticipated.

The bill would amend the Texas Water Code to authorize a Groundwater Conservation District (GCD) located over any part of a designated brackish groundwater production zone to adopt rules to permit the withdrawal of brackish groundwater in a designated brackish groundwater production zone. Permits may be issued either for a municipal project to treat brackish groundwater to drinking water standards or for an electric generation project. The bill would require Texas Water Development Board (TWDB) review and comment on permit applications and to make recommendations. The bill would require TWDB to report on the impacts of brackish groundwater production in designated zones at the request of GCDs. The bill would also require TWDB to receive and review annual brackish groundwater production reports from GCDs. According to TWDB, the agency will need to process and maintain additional data in accordance with provisions of the bill, however, no significant fiscal impact is anticipated.

The bill would clarify that the State Auditor's Office (SAO) may conduct a financial audit of a GCD if SAO determines as necessary, removes SAO's ability to conduct certain enforcement action against a GCD if there is conflict with the district's management plan and approved regional water plan with another party, and repeals the SAO authority to review a GCD to make a determination of whether a district is actively engaged in achieving the objectives of the district's management plan. No significant fiscal impact is anticipated as a result of these provisions.

Local Government Impact

According to the Bee Groundwater Conservation District, McMullen Groundwater Conservation District, San Patricio County Groundwater Conservation District, and the Live Oak Underground Water Conservation District, the bill would cost each district an estimated \$15,000.

Source Agencies: 304 Comptroller of Public Accounts, 580 Water Development Board

LBB Staff: UP, SZ, JJ, PM, JGA