

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 18, 2017**

**TO:** Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

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

**IN RE: HB3735** by Frank (relating to an application for a new or amended water right submitted to the Texas Commission on Environmental Quality.), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Texas Water Code, Section 11.122 to give existing water right holders who begin using desalinated seawater the right to expedited consideration of an amendment application by the Texas Commission on Environmental Quality (TCEQ), provided that the amendment would: authorize a different or additional diversion point or points; authorize the diversion of an amount of water from the different or additional diversion point that is equal to or less than the amount of desalinated sweater used by the applicant before the amendment; authorize the diversion from all of the diversion points authorized by the water right an amount of water equal to or less than the amount of water the applicant was authorized to divert before the amendment; and would not authorize the water diverted from the different or additional diversion point to be transferred to another river basin. The bill would require the executive director of TCEQ to prioritize the technical review of the amendment application in order to expedite consideration. The bill would amend Texas Government Code, Section 2003.047 to require the State Office of Administrative Hearings (SOAH) to complete case hearings concerning amendment applications subject to the bill within 270 days of referral.

The bill would amend Texas Water Code, Section 11.125(a) to require that an application to appropriate state water must include a map or plat in the form and containing the information prescribed by the Texas Commission on Environmental Quality (TCEQ). The bill would amend Section 11.134 to allow TCEQ to consider only the factors within the jurisdiction and expertise of the agency when determining whether an appropriation is detrimental to the public welfare. The bill would apply only to applications received after the effective date of the bill. The bill would take effect September 1, 2017.

TCEQ and SOAH estimate that implementing the provisions of the bill could be done using existing resources, and that no significant savings would be realized due to any shortening of the timeframes of contested case hearings or limitation of issues considered.

**Local Government Impact**

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

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

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