

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 25, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3987** by Larson (relating to the authority of the Texas Water Development Board to use the state participation account of the water development fund to provide financial assistance for the development of certain facilities.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Water Code to create the Texas State Water Investment Fund Act, which would allow the Texas Water Development Board (TWDB) to use funds from the Texas Water Development Fund II No. 371 (Fund 371) for the development of desalination facilities and aquifer storage and recovery facilities. The bill would require that such a facility receiving funding from Fund 371 be included in the state water plan, that TWDB establish a prioritization system for financing such facilities, and that the issuance of bonds for these projects be limited to \$200 million. The bill would require the Comptroller to establish a subaccount in Fund 371, and TWDB would be allowed to transfer funds between Fund 371 and the subaccount as needed for eligible projects.

The bill would remove TWDB's ability to use Fund 371 for this purpose if it has not provided financing to at least one desalination facility or aquifer storage and recovery facility by September 1, 2022. Based on the analysis of TWDB and the Comptroller, duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

Local Government Impact

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

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

LBB Staff: UP, SZ, MW, PBO