

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 18, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB4235** by Larson (Relating to the sunset review of certain groundwater conservation districts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4235, As Introduced: an impact of \$0 through the biennium ending August 31, 2019.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>Appropriated Receipts</i> 666	Probable Revenue Gain from <i>Appropriated Receipts</i> 666	Change in Number of State Employees from FY 2017
2018	(\$180,604)	\$180,604	3.0
2019	(\$19,012)	\$19,012	3.0
2020	\$0	\$0	0.0
2021	\$0	\$0	0.0
2022	\$0	\$0	0.0

Fiscal Analysis

The bill makes the Lone Star and Middle Pecos groundwater conservation districts (GCDs) subject to review by the Sunset Advisory Commission (Commission), but not abolishment, by September 1, 2019, and every 12 years thereafter. The bill requires each GCD to pay the cost of the review as determined by the Commission, and requires the agency to review each GCD's governance, management, operating structure, and compliance with legislative requirements.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house. If the bill does not receive the votes required to pass, the bill would take effect September 1, 2017.

Methodology

The requirement for the Commission to conduct a limited review of GCDs would result in costs to the Commission of \$199,616 during the 2018-2019 biennium. These costs would be reimbursed by the GCDs. The GCDs would continue to pay similar costs every 12 years for subsequent Sunset reviews as long as the bill is in effect.

According to the Commission, the review would cost approximately \$10,562 per analyst assigned to a team, per month. Estimated costs for each review assumes 90 percent of the time required to conduct the review would be needed in fiscal year 2018, as this is when the Commission's workload is more intensive, including an estimated \$9,500 in related travel costs. The analysis assumes the review of GCDs are in addition to the Commission's body of work assigned, and would result in the need for additional staff to conduct these reviews, including 3.0 FTEs for the 2018-19 biennium.

Local Government Impact

There would be a cost to the Lone Star and Middle Pecos GCDs for reimbursing the Commission for their services, estimated at \$199,616 in total for the 2018-19 biennium. These GCDs may also experience additional internal costs to comply with provisions of the bill.

Source Agencies: 116 Sunset Advisory Commission, 308 State Auditor's Office, LCR Lower Colorado River Authority

LBB Staff: UP, PM, SZ, JJ