

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 30, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB225 by Taylor, Van (Relating to the referral by the Texas Commission on Environmental Quality to the State Office of Administrative Hearings of an issue regarding an application for a water right.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Water Code, Section 11.133 to instruct the Texas Commission on Environmental Quality (TCEQ) to only refer an issue regarding a water rights application to the State Office of Administrative Hearings (SOAH) for a hearing if the issue is a disputed question of fact or a disputed mixed question of law and fact, and is relevant and material to a decision on the application. TCEQ would be required to determine the number and scope of issues to be referred to SOAH for a hearing and to specify the maximum expected duration of the proceeding. The bill would limit the duration of the proceeding to 270 days, only to be extended if the administrative law judge conducting the hearing determines that failure to extend would deprive a party of due process or another constitutional right. The bill would prohibit party status being granted to an affected person objecting to the application if the person failed to submit a request to TCEQ for a hearing in accordance with statutory requirements. The bill would only apply to applications received by TCEQ on or after the effective date of the bill.

TCEQ and SOAH indicate that implementing the provisions of the bill could be accomplished 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: 360 State Office of Administrative Hearings, 582 Commission on Environmental Quality

LBB Staff: UP, SZ, MW, MSO, EK