

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 10, 2019**

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

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB722** by Larson (Relating to the development of brackish groundwater.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB722, As Engrossed: a negative impact of (\$224,860) through the biennium ending August 31, 2021.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	(\$126,433)
2021	(\$98,427)
2022	(\$98,427)
2023	(\$98,427)
2024	(\$98,427)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b> <b>1</b>	<b>Change in Number of State Employees from FY 2019</b>
2020	(\$126,433)	1.0
2021	(\$98,427)	1.0
2022	(\$98,427)	1.0
2023	(\$98,427)	1.0
2024	(\$98,427)	1.0

## **Fiscal Analysis**

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) to 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.

## **Methodology**

According to TWDB, the bill would require the agency to review applications and reports and to produce responsive reports for 31 brackish groundwater production zones. It is assumed that these brackish groundwater production zones would initiate the rule adoption process proposed by the bill in a staggered manner over several years. In order to accomplish the level of work this would likely create, TWDB indicates that it would need 1.0 Geoscientist IV (salary \$72,789) to conduct reviews of permit applications and annual reports and to prepare reports on findings for groundwater conservation districts. Salary, benefits, and other costs associated with this FTE would be \$126,433 in fiscal year 2020, and \$98,427 each subsequent year.

## **Local Government Impact**

According to Clearwater Underground Water Conservation District, and Southeast Texas and Bluebonnet Groundwater Conservation Districts, no significant fiscal impact to their local entities is anticipated.

Rusk County Groundwater Conservation District anticipates some fiscal impact to their district, however that amount would depend on the number of lawsuits filed against the District. Rusk County GCD also estimates fiscal impact due to additional operational and procedural costs associated with provisions of the bill.

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

**LBB Staff:** WP, PBO, SZ, MW, AF, PM, JGa