

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 25, 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: HB723 by Larson (Relating to a requirement that the Texas Commission on Environmental Quality obtain or develop updated water availability models for certain river basins.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB723, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2021; however, there would be decreases to General Revenue-Dedicated Water Resource Management Account No. 153.

The Texas Commission on Environmental Quality is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Texas Commission on Environmental Quality may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

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 |
|--------------------|---|
| 2020 | \$0 |
| 2021 | \$0 |
| 2022 | \$0 |
| 2023 | \$0 |
| 2024 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from <i>Water Resource Management</i> 153 |
|--------------------|--|
| 2020 | (\$2,162,000) |
| 2021 | \$0 |
| 2022 | \$0 |
| 2023 | \$0 |
| 2024 | \$0 |

Fiscal Analysis

The bill would amend Texas Water Code, Section 16.012 to require the Texas Commission on Environmental Quality (TCEQ) to obtain or develop updated water availability models for the Brazos, Neches, Red, and Rio Grande River Basins.

The bill would take effect September 1, 2019.

Methodology

TCEQ's estimates assume that the agency would update the water availability models through a contract, and would include costs of peer review of the work. TCEQ estimates that costs for the contract would total \$2,162,000 in fiscal year 2020 that consists of \$275,000 for the Brazos River Basin, \$484,000 for the Neches River Basin, \$633,000 for the Red River Basin, and \$770,000 for the Rio Grande River Basin.

This analysis assumes that all other staff related costs necessary to implement the provisions of the bill could be absorbed using existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: WP, GDz, SZ, MW, JGa, PM