

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

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

**March 25, 2019**

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

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

**IN RE: HB2122** by Harris (Relating to regulation of the production of retail public utility wells by a groundwater conservation district.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Water Code to authorize a retail public utility located in an applicable groundwater conservation district (GCD) to petition the district to authorize the utility to produce groundwater based on certain criteria.

The Public Utility Commission (PUC) anticipates that this bill would have no significant fiscal impact and that the provisions of the bill could be implemented using existing resources.

**Local Government Impact**

The PUC anticipates that this bill may have a local impact but the agency cannot determine any such impact.

According to the Commission on Environmental Quality, retail public utilities could incur some additional costs during the petition process established by this legislation but could also realize some cost saving in a longer term. GCDs could see some increased costs, or loss of revenue. The extent of costs, cost savings, and loss of revenue would be variable, depending upon the district and the retail public utility involved.

According to the Texas Municipal League, no significant fiscal impact is anticipated.

According to Edwards Aquifer GCD, no significant fiscal impact is anticipated.

According to Bandera County GCD, a fiscal impact would occur only if the District is petitioned by the public utilities retailer. Costs would stem from public hearing and rule making process, which the District does not envision occurring at this time.

According to Bluebonnet GCD, the bill would require significant increase in work that could require a 1 new FTE at an estimated cost of \$45,000 per year.

According to Clearwater GCD, the bill would result in \$137,000 in initial costs for operational and policy development and a recurring \$37,000 per year for ongoing analytical and legal expenses.

According to Lost Pines GCD, although the bill would not currently apply, any future changes in the permitting process to be based on tract size or acreage would result in a significant negative fiscal impact.

According to North Plains GCD, the bill would not have a significant fiscal impact.

According to Rusk GCD, the bill could have fiscal implications because it would create rules specific to a class of permittee. The amount of this fiscal impact cannot be determined at this time.

**Source Agencies:** 473 Public Utility Commission of Texas, 582 Commission on Environmental Quality

**LBB Staff:** WP, SZ, SD, GP