

**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: HB2249** by Lucio III (Relating to regulation of production of wells for retail public utilities by a groundwater conservation district.), **As Introduced**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Water Code to require a groundwater conservation district (GCD) to consider the service area of retail public utility serving an area within the district and establishes certain procedures for modifying the permitted production by the retail public utility based on this factors. The bill would also prohibit a GCD from denying a permit for a landowner because of the location of a well owned by a retail public utility and would prohibit the retail public utility from filing a protest or objection to an application for a permit by a landowner inside their service area.

According to TCEQ, no fiscal impact on the agency is anticipated.

**Local Government Impact**

According to TCEQ, retail public utilities would likely not experience any increased costs, but may lose some volume of water from their permitted amounts. GCDs may see some increased costs in the annual review and adjustment of the permit for the retail public utility. The extent of costs is variable, depending upon the GCD and the retail public utility involved. TCEQ is unable to provide an estimate of these costs.

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

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

According to Bandera County GCD, the fiscal impact to adopt new rules is not significant.

According to Bluebonnet GCD, no fiscal impact is anticipated.

**Source Agencies:** 582 Commission on Environmental Quality

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