LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 28, 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: **SB911** by Hinojosa (Relating to the supervision of water districts by the Texas Commission on Environmental Quality.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Water Code to transfer responsibility for administrative hearings of water districts from examiners appointed by the Texas Commission on Environmental Quality (TCEQ) to the State Office of Administrative Hearings. The bill would allow the TCEQ Executive Director to request additional information after reviewing the audit report of a water district and would allow this same position to review and investigate a district's financial records and to conduct an on-site audit of a district's financial information.

Although information provided by TCEQ indicates that additional costs would be realized with implementing the provisions of the bill, this estimate assumes these costs can be absorbed within available resources. According to the State Office of Administrative Hearings, duties and responsibilities associated with implementing the provisions of the bill can be absorbed within available resources.

Local Government Impact

The Northeast Texas Municipal Water District assumes that the bill could have a significant financial impact on a water district in the event an audit reveals deficiencies that the state agency requires to be addressed, however the extent of the fiscal impact on water districts cannot be determined at this time.

Source Agencies: 360 State Office of Administrative Hearings, 582 Commission on Environmental Quality

LBB Staff: WP, SZ, MW, GDz, AF