

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 5, 2021

TO: Honorable Tracy O. King, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1926 by Wilson (Relating to the extension of water or sewer service by certain retail public utilities at the request of a developer.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1926, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

Estimated Two-year Net Impact to General Revenue-Dedicated Water Resource Management Funds : an impact of (\$1,434,608) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill relates to the extension of water or sewer service by certain retail public utilities at the request of a developer.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from Water Resource Management</i>	<i>Change in Number of State Employees from FY 2021</i>
	153	
2022	(\$717,304)	6.0
2023	(\$717,304)	6.0
2024	(\$717,304)	6.0
2025	(\$717,304)	6.0
2026	(\$717,304)	6.0

Fiscal Analysis

This bill would require the Public Utility Commission (PUC) to receive petitions from developers, water

supply or sewer service corporations, or special utility districts. The PUC would be required to determine whether the service extension policy is reasonable and provide an opportunity for an informal hearing. The PUC would also be required to issue an order determining the requirements the developer must comply with to receive service.

Methodology

The PUC estimates this increased workload will require 3 additional Attorney IIIs (2 in Legal and 1 Advisor in the Office of Policy and Docket Management) at \$85,000 each; 2 additional engineer IVs at \$85,000 each; and 1 additional administrative law judge II at \$95,000. Additionally, the PUC would require \$1,500 per year per FTE in Other Operating Expenses for training and other associated costs.

Technology

The PUC anticipates it would need a laptop for each of their new FTEs. Each additional laptop would be \$1,900 per year, or \$11,400 per year total.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JMc, AJL, MB, RRE, CMA