

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 2, 2021**

**TO:** Honorable Charles Perry, Chair, Senate Committee on Water, Agriculture & Rural Affairs

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1382** by Creighton (Relating to the authority of a hospital to drill a water well for the purpose of producing water for use in the event of an emergency or natural disaster.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Health and Safety Code to provide for the authority of a hospital to drill a water well for the purpose of producing water for use in the event of an emergency or natural disaster.

The Texas Commission on Environmental Quality (TCEQ) indicates that the costs associated with the bill's provisions could be absorbed using existing resources.

**Local Government Impact**

According to TCEQ, currently most hospitals receive water from an approved public water system, but if a hospital drills its own water well for human consumption the hospital would meet the definition of a public water system and would be regulated by TCEQ as a public water system in accordance with applicable regulations.

The fiscal implications for the hospital, if it becomes a public water system, would include engineering costs to obtain approval for the water system, the costs of drilling the well or wells and equipment related to the treatment and distribution of the water, sampling costs related to monitoring and reporting requirements, operating costs, and the annual Public Health Service Fee which is administered by TCEQ.

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

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