

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 17, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2757 by Tepper (Relating to funding and activities of the Texas Produced Water Consortium.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB2757, As Introduced: a negative impact of (\$5,000,000) through the biennium ending August 31, 2025.

The Consortium is required to implement a provision of the bill only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Consortium may, but is not required to, implement a provision of the bill using other appropriations available for that purpose.

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

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2024	(\$2,500,000)
2025	(\$2,500,000)
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from <i>General Revenue Fund</i> 1
2024	(\$2,500,000)
2025	(\$2,500,000)
2026	\$0
2027	\$0
2028	\$0

Fiscal Analysis

The bill would repeal Education Code, Section 109.205(c), allowing the Texas Produced Water Consortium (TxPWC) led by the host University, Texas Tech University (TTU), to directly receive state money. The bill would require the TxPWC to select a pilot project or program by October 1, 2023, and to submit a report to the legislature on the implementation of the pilot project or program by October 1, 2024.

Methodology

Information provided by TTU indicates \$2,500,000 in General Revenue would be needed each fiscal year of the 2024-25 biennium to implement a pilot program required by the bill.

This analysis assumes that the pilot program would contain subprojects to be conducted in two phases including an initial analysis and testing phase followed by a bench scale and crop application testing phase. Each fiscal year the anticipated costs for the implementation of subprojects would include \$1,440,000 for the analysis and testing phase and \$580,000 for the bench scale and crop application testing phase. Additionally, each fiscal year TTU estimates \$480,000 in administrative and staff costs for the Executive Director, three faculty members, and three graduate students to administer the pilot program and activities of the TxPWC.

It is assumed that any costs associated with the TxPWC producing a report to the legislature regarding the implementation of the pilot program could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 455 Railroad Commission, 551 Department of Agriculture, 580 Water Development Board, 582 Commission on Environmental Quality, 768 Texas Tech University System Administration, 802 Parks and Wildlife Department

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