

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 21, 2023

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4256 by Murr (relating to the establishment of a grant program to plug leaking water wells in certain counties.), **Committee Report 2nd House, Substituted**

The fiscal impact cannot be determined because the amount that would be made available to capitalize the Leaking Water Wells Fund, the interest or investment earnings that would be earned and retained in the fund, the number of eligible water wells, the number of grantees, timing of grant distributions, and the amount of grant funds that would be provided is unknown.

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 would amend the Water Code to establish a new account to be administered by the Texas Commission on Environmental Quality (TCEQ), the Leaking Water Wells Fund. The Leaking Water Wells Fund would be a fund in the state treasury outside the General Revenue Fund. The fund would be used to provide grants to offset the cost of plugging water wells in a groundwater conservation district in a county that has a population of less than 16,000 and is adjacent to at least seven counties with populations of less than 15,000 and to pay the administrative costs of a leaking water well plugging program at TCEQ.

Based on information provided by TCEQ, the amount of wells that would need plugging in the area defined by the bill is unknown. The fiscal impact cannot be determined because the amount that would be made available to capitalize the Leaking Water Wells Fund, the interest or investment earnings that would be earned and retained in the fund, the number of eligible water wells, the number of grantees, timing of grant distributions, and the amount of grant funds that would be provided is unknown.

The bill would require TCEQ to use the Leaking Water Wells Fund for projects that plug leaking water wells and establish a program to identify eligible projects. Based on information provided by TCEQ, this analysis assumes that it would take one fiscal year to complete all necessary rule making required by the bill if a significant amount was deposited to the credit of the fund. If the fund were capitalized, TCEQ has reported that it would require 1.0 Geoscientist IV (B 26) and 1.0 Grant Specialist IV (B23) with total costs of \$263,782 in fiscal year 2025 and \$253,782 in fiscal years 2026 through 2028. These costs would include \$183,401 in payroll; agency payroll costs of \$2,751; fringe benefits of \$55,626; and other associated costs of \$12,004 in fiscal years 2025 through 2028 and one time costs of \$3000 for computer and software licenses and \$7,000 for furniture and equipment in fiscal year 2025. TCEQ also indicated that it would require \$200,000 in fiscal years 2024 and 2025 to contract with an outside firm to develop a new information technology system to monitor and track the grant program. This analysis assumes that TCEQ could absorb ongoing maintenance costs related to this IT system with existing resources.

This legislation would do one or more of the following: create or recreate a dedicated account in the general Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

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

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JMc, KK, MW, DKN