

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 29, 2025

TO: Honorable Cody Harris, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3322 by Harris (Relating to the procedure for amending or revoking certificates of public convenience and necessity issued to certain water utilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3322, As Introduced: a negative impact of (\$1,756,344) through the biennium ending August 31, 2027.

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 General Revenue Related Funds
2026	(\$878,172)
2027	(\$878,172)
2028	(\$878,172)
2029	(\$878,172)
2030	(\$878,172)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$878,172)	6.0
2027	(\$878,172)	6.0
2028	(\$878,172)	6.0
2029	(\$878,172)	6.0
2030	(\$878,172)	6.0

Fiscal Analysis

This bill would amend the Water Code to allow additional eligible counties to petition for a streamlined expedited release (SER) from a Certificate of Convenience and Necessity (CCN) holder. Additionally, the bill would allow landowners the ability to pay the CCN holder the amount necessary to diffuse federal debt under a federal loan program.

Methodology

Based on the analysis of the Public Utility Commission of Texas (PUC), the bill would add an additional 41 counties that would be eligible for streamlined expedited release which increases the total from 33 to 74 eligible counties. This would increase the amount of streamlined expedited release applications submitted to PUC. This estimate assumes the agency would require 6.0 additional full time equivalents (FTE) positions to meet this increased application volume. Two Attorney III-IV (\$115,500 per year with estimated benefits of \$32,825) would be needed to process SER applications, two Engineers III-IV (\$115,500 per year with estimated benefits of \$32,825) would be needed for expertise on water and sewer services and two Geographic Information Specialist III-IV (\$99,000 per year with estimated benefits of \$28,136) would be needed for water and sewer line mapping. Other associated costs include \$14,400 per year for payroll contributions, travel and other operating expenses.

Technology

PUC anticipates information technology expenditures of \$16,200 per year.

Local Government Impact

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

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JMc, TUf, JBel, FV, GDZ