

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 22, 2025

**TO:** Honorable Will Metcalf, Chair, House Committee on Culture, Recreation & Tourism

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

**IN RE: HB3728** by Morales Shaw (Relating to the adoption by the Texas Commission on Environmental Quality of salinity requirements for bays and estuaries.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3728, As Introduced: an impact of \$0 through the biennium ending August 31, 2027.

However there is an estimated net two year impact of (\$400,000) to the General Revenue-Dedicated Water Resource Management Account No. 153 (Account No. 153).

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<br/>Year</i> | Probable Net Positive/(Negative) Impact<br>to<br><i>General Revenue Related Funds</i> |
|------------------------|---------------------------------------------------------------------------------------|
| 2026                   | \$0                                                                                   |
| 2027                   | \$0                                                                                   |
| 2028                   | \$0                                                                                   |
| 2029                   | \$0                                                                                   |
| 2030                   | \$0                                                                                   |

All Funds, Five-Year Impact:

| <i>Fiscal<br/>Year</i> | Probable Savings/(Cost) from<br><i>Water Resource Management</i><br>153 |
|------------------------|-------------------------------------------------------------------------|
| 2026                   | (\$400,000)                                                             |
| 2027                   | \$0                                                                     |
| 2028                   | \$0                                                                     |
| 2029                   | \$0                                                                     |
| 2030                   | \$0                                                                     |

Fiscal Analysis

The bill would amend Water Code related to Texas Surface Water Quality Standards (TSWQS) administered by the Texas Commission on Environmental Quality (TCEQ).

The bill would require TCEQ to develop and incorporate into the TSWQS, numeric salinity gradients for bays and estuaries where site-specific salinity studies exists, and narrative salinity criteria for bays and estuaries

listing specific species to support attainable estuarine dependent aquatic life. The bill requires TCEQ to incorporate the new criteria in the first revision of the relevant rules related to the TSWQS occurring after enactment of the bill. Additionally, by September 1, 2026, the bill requires TCEQ to develop and publish a report summarizing the results of long-term studies conducted by TCEQ and other agencies between 2003 and 2005 on estuary salinity gradients. The report would be required to assess the impacts of additional wastewater loading, desalination, and changes in hydrological conditions and rainfall on estuarine salinity gradients and estuarine dependent wildlife.

The bill would take effect on September 1, 2025.

### **Methodology**

Based on information provided by TCEQ, this analysis assumes one-time contracting costs totaling \$400,000 paid from Account No. 153 would be needed in fiscal year 2026 to implement the provisions of the bill. In order to incorporate salinity criteria into the TSWQS, this would necessitate the development of a salinity gradient criteria, and a contractor would develop a model using currently available data for this purpose. The estimated cost is based on similar contracts TCEQ currently utilizes to develop nutrient models for bays and estuaries. Apart from these costs, according to TCEQ, it is assumed that any costs associated with implementing all other provisions of the bill could be absorbed using existing resources.

### **Local Government Impact**

The fiscal implications of the bill cannot be determined at this time. According to TCEQ, the bill could impact local political subdivisions with existing permitted discharges in bays and estuaries that would be required to abide by new criteria adopted into the TSWQS.

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

**LBB Staff:** JMc, Tuf, MW, AJL