

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 24, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2885 by Flores (relating to the use of reclaimed water that has been treated to meet certain standards as part of an aquifer storage and recovery project.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2885, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2027.

However, there is an estimated two year net impact of (\$1,153,162) to the General Revenue-Dedicated Water Resource Management Account No. 153 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>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from Water Resource Management 153</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$593,581)	4.0
2027	(\$559,581)	4.0
2028	(\$559,581)	4.0
2029	(\$559,581)	4.0
2030	(\$559,581)	4.0

Fiscal Analysis

The bill would amend Water Code to allow the Texas Commission on Environmental Quality (TCEQ) to adopt rules and authorize the issuance of permits for the injection of treated reclaimed water, that is treated in accordance with the standards adopted by TCEQ, into Class V aquifer storage and recovery (ASR) wells.

The bill would take effect on September 1, 2025.

Methodology

Based on information provided by TCEQ, an estimated 4.0 Full-Time Equivalent (FTE) positions and associated costs, paid from the General Revenue-Dedicated Water Resource Management Account No. 153 and totaling \$593,581 in fiscal year 2026 and \$559,581 in fiscal year 2027, would provide staffing and administrative resources to review the anticipated increase in ASR permitting applications and to update application and guidance forms. TCEQ did not include an estimated total amount or increase in the number of applications that the anticipated increase is based on in its analysis. FTEs would include: one Geoscientist III, one Geoscientist IV, one Engineer III, and one Engineer V.

This analysis based on information provided by TCEQ assumes salary and wage costs for the 4.0 FTEs would total \$410,228 per fiscal year from 2026 to 2030. Benefit costs would total \$116,587 per fiscal year from 2026 to 2030. Other administrative and staff costs would total \$66,766 in fiscal year 2026 and \$32,766 per fiscal year from 2027 to 2030. This estimate would include initial capital costs for licenses, furniture, and equipment in fiscal year 2026.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time. Local and other governmental entities long-term water supply planning efforts may benefit from having an additional mechanism for the storage and use of reclaimed water.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JMc, FV, AJL, MW