

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 7, 2013

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB252** by Larson (Relating to water shortage reporting by water utilities and providers of wholesale water service.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 13 of the Water Code to require a retail public utility and each entity from which the utility is obtaining wholesale water service to report projected water supplies on a form prescribed by the Texas Commission on Environmental Quality (TCEQ); and to notify TCEQ if the projected available water supply is less than 180 days. Current statutes do not require a retail public utility to report available water supply. TCEQ would be required to adopt rules to implement the provisions of the bill.

TCEQ reported the provisions of the bill are not anticipated to have a significant fiscal impact on the agency and could be performed utilizing the agency's available resources.

The Texas Water Development Board reported no fiscal impact on the agency is anticipated.

Local Government Impact

According to the analysis by TCEQ, there are an estimated 3,139 local governments that are retail public utilities that could incur costs associated with additional reporting requirements and a water supply assessment. Some of those costs may include the technical capability to calculate the available water supply or to hire a contractor to perform a water supply assessment. The cost to perform a water supply assessment could vary significantly depending on the types of water supply utilized and the costs to hire a hydrologist, engineer or geologist. Some retail public utilities, especially smaller entities, may not have resources for associated costs.

The Texas Municipal League indicated the fiscal impact for reporting requirements would not be significant, unless the notice required information that the city does not currently access.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: UP, PM, SZ, TP