

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

February 28, 2011

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

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: SB332 by Fraser (Relating to the vested ownership interest in groundwater beneath the surface and the right to produce that groundwater.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Water Code to grant a landowner, or the landowner's lessee or assign a vested interest and the right to produce groundwater below the surface of the landowner's real property, except as the rights and interests may be reasonably limited by a groundwater and conservation district's rules.

The bill would prohibit a district's rules from discriminating between a property owner or the owner's lessee or assign, whose land is irrigated for production or was previously irrigated for production and is now participating in a federal conservation program.

The board of a groundwater conservation district would be required to consider and protect the rights and interests, defined by Section 36.002 of the Water Code, while reviewing the management plans.

Local Government Impact

According to the Live Oak Underground Water Conservation District and the Bee Groundwater Conservation District, there could be a significant fiscal impact, but it would vary depending on the number of lawsuits filed that could result from the provisions of the bill. The districts also noted that there is no way to determine the impact of the bill; it could cost \$0 or it could cost \$500,000 or more.

Source Agencies: 580 Water Development Board

LBB Staff: JOB, SZ, TP