

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 15, 2017**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2377 by Larson (Relating to the development of brackish groundwater.), As  
Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Texas Water Code to authorize a Groundwater Conservation District (GCD) located over any part of a designated brackish groundwater production zone to adopt rules to permit the withdrawal of brackish groundwater in a designated brackish groundwater production zone. Permits may be issued either for a municipal project to treat brackish groundwater to drinking water standards or for an electric generation project. The bill would require Texas Water Development Board (TWDB) review and comment on permit applications and to make recommendations. The bill would require TWDB to report on the impacts of brackish groundwater production in designated zones at the request of GCDs. The bill would also require TWDB to receive and review annual brackish groundwater production reports from GCDs. According to TWDB, the agency will need to process and maintain additional data in accordance with provisions of the bill, however, no significant fiscal impact is anticipated.

**Local Government Impact**

According to the Bee Groundwater Conservation District, McMullen Groundwater Conservation District, San Patricio County Groundwater Conservation District, and the Live Oak Underground Water Conservation District, the bill would cost each district an estimated \$15,000.

**Source Agencies:** 304 Comptroller of Public Accounts, 580 Water Development Board

**LBB Staff:** UP, SZ, JJ, PM, JGA