



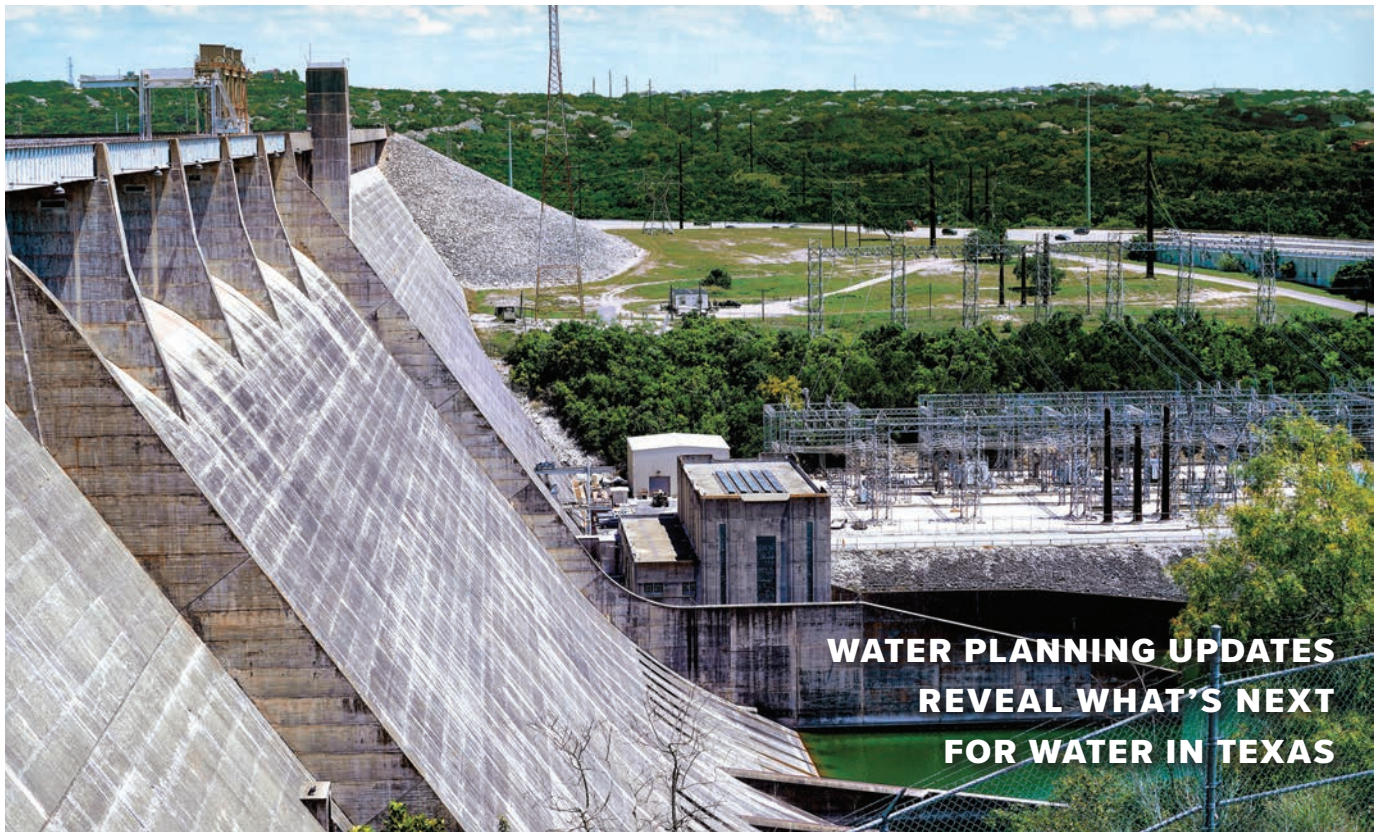
JUNE/JULY 2022

FISCAL NOTES

INNOVATIONS IN TEXAS WATER SYSTEMS 7

STATE REVENUE WATCH 11

The 2022 State Water Plan By Spencer Grubbs and Jess Donald



**WATER PLANNING UPDATES
REVEAL WHAT'S NEXT
FOR WATER IN TEXAS**

Mansfield Dam on Lake Travis, near Austin, Texas

Texans are growing in number and for good reasons. But population growth in Texas brings higher demand for one of the state's most precious resources — water. Ensuring our state's finite water supplies meet future demand requires strategic planning and collaborative efforts from Texas citizens and every level of government.

Statewide water planning, in fact, is far from a foreign concept in Texas. Texans are all too familiar with massive floods and severe droughts. Despite facing challenges, Texas is uniquely positioned to lead the nation in water planning and conservation.

WATER PLANNING IN TEXAS: A HISTORY

Since its inception in 1957, the Texas Water Development Board (TWDB) has been a steward of Texas water. The mission of the TWDB — “to lead the state's efforts in

ensuring a secure water future for Texas and its citizens” — may sound simple, but the complexity of Texas' diverse population and environment guarantees it is no easy task.

The drought of the 1950s changed Texas and its water policy forever. Persisting for the better part of the decade, from 1950-1957, the drought cost Texas agriculture producers nearly \$39.8 billion (in 2021 dollars) in direct losses and damaged more than 4 million acres, the result of wind erosion and wildfires. Born out of a legislative response to the drought's devastation, one of TWDB's core objectives is to keep Texans from being unprepared for another drought of record.

While the functions of TWDB have evolved over the decades, Senate Bill 1 passed by the 75th Legislature in 1997 catapulted the agency into a statewide leadership role overseeing the formerly decentralized regional water planning efforts. TWDB's compact with the state

(CONTINUED ON PAGE 3)

A Message from the Comptroller



Texans appreciate a swimming hole, a pool or an ice-cold glass of water this time of year. We also appreciate the role water plays in producing hydropower and irrigating crops, not to mention its necessity in our personal lives. Think showers, lavatories and washing machines.

Though water is a basic need both for individuals and for the businesses that drive our economy, it's no secret that our state has seen its share of droughts. Nor is it a secret that Texas has been strategizing its water usage ever since the first great drought of record in the 1950s. A few cities, in fact, have been thinking about water resources and reuse even longer than that.

This issue of *Fiscal Notes* focuses on the precious resource of water, with specific focus on the state's water plan and water innovations that could help meet higher demand as Texas' population and economy grows. This is no small feat, according to the Texas Demographic Center. It projects the state's population will increase from its now roughly 29 million to more than 47 million by 2050.

Given that growth, the state's water plan, overseen by the Texas Water Development Board (TWDB), is critical to our future prosperity. Texas, of course, is diverse, and one plan could not address the entire state without contributions by the 16 regions in the water plan. They are integral to helping meet one of the TWDB's core objectives: to help Texans prepare in the event of another drought of record. It's worth noting that the TWDB chair, Brooke Paup, is the first woman to head the board and a one-time Comptroller's office staff member.

The second article in this issue updates readers on innovations in the water sector. I was struck that recapturing and treating wastewater could result in reliable and clean sources of water for non-potable uses. Smart water meters, wastewater reuse and desalination are just some of the innovations the article mentions. You also might be interested to learn about purple pipelines, which carry cleaned up water from sewage treatment plants for uses such as irrigation.

As always, I hope you enjoy reading this issue.

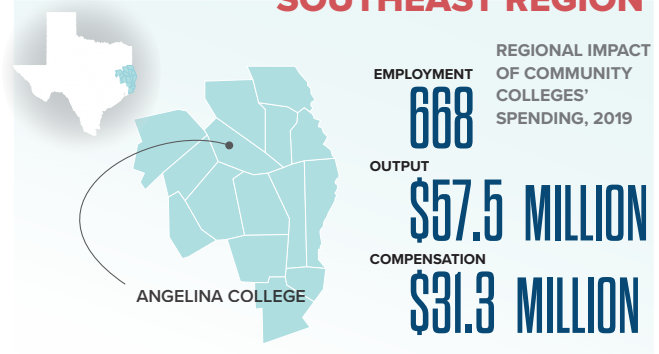


Glenn Hegar

Texas Comptroller of Public Accounts

TEXAS COMMUNITY COLLEGES

SOUTHEAST REGION



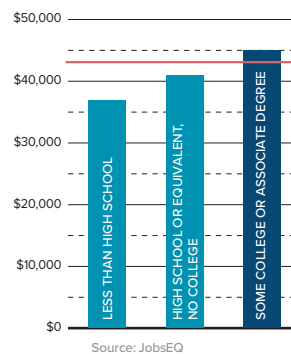
Texas' community college districts serve a vital role in our economy by developing our workforce, preparing students for further academic study and meeting specific educational and vocational needs. The 15 counties in the Southeast region include one community college district.

Note: Figures include direct, indirect and induced economic impacts.
Sources: JobsEQ, Texas Comptroller of Public Accounts, Texas Higher Education Coordinating Board and Texas community colleges.

NOTE: THESE ANALYSES PREDATED THE COVID-19 CRISIS AND THE ECONOMIC IMPACTS THAT FOLLOWED.

WAGES BY EDUCATIONAL ATTAINMENT

AVERAGE ANNUAL EARNINGS BY EDUCATIONAL ATTAINMENT, SOUTHEAST REGION, 2018



Community colleges provide their students with a good return on investment.

AVERAGE WAGE INCREASE OVER HIGH SCHOOL OR EQUIVALENT

\$4,100

NUMBER OF WORKERS, SOME COLLEGE OR ASSOCIATE DEGREE

75,084

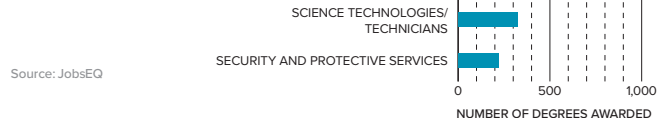
TOTAL REGIONAL ADDITIONAL WAGES

\$307.8 MILLION

Sources: U.S. Census Bureau, JobsEQ and Texas Comptroller of Public Accounts

CERTIFICATES AND DEGREES

TOP CERTIFICATES AND DEGREES, SOUTHEAST REGION, 2017-2018 SCHOOL YEAR



Source: JobsEQ

SUMMARY As Angelina College, the Southeast region's only community college district, works to address local skills gaps and meet the specific needs of area employers, it supports nearly 670 jobs and adds nearly \$58 million in economic output annually. The higher pay of those with some college or an associate degree helps raise total wages in the region by nearly \$308 million per year.

TO SEE INFORMATION ON COMMUNITY COLLEGES AND THE TEXAS ECONOMY: comptroller.texas.gov/economy/economic-data/colleges

If you would like to receive a paper copy of *Fiscal Notes*, contact us at fiscal.notes@cpa.texas.gov.

of Texas lists the agency’s core responsibilities as: collecting and disseminating water-related data, planning for the development of the state’s water resources and administering cost-effective financing for water planning programs.

PLANNING FOR THE STATE’S WATER REALITY

Integral to Texas’ water supply is TWDB’s State Water Plan (SWP). The SWP is a five-year water planning guide for state water policy designed to anticipate and plan for the water needs of Texas based on conditions similar to the most recent drought of record. The SWP seeks to plan for the state’s water needs 50 years into the future.

Todd Votteler, president of Collaborative Water Resolution LLC, which helps clients mediate water conflicts, says that one of the state’s biggest challenges is “meeting the water demands of a rapidly growing state that is subject to intense multiyear droughts, where the populations are not always located proximate to the available supplies of water.”



Todd Votteler, Collaborative Water Resolution LLC

Texas is divided into 16 water planning regions, each with its own unique set of water needs (**Exhibit 1**). Every five years an updated SWP is released that details water supply, demand and needs for various water user groups, including municipal, irrigation, manufacturing, livestock, mining and steam-electric power. The SWP serves as both a guide for Texas water policy and a metric for regional water supplies and needs. The Texas Commission on Environmental Quality also plays a role in the planning process as the regulatory body for environmental issues in Texas.

WATER PLANNING IS A GROUP EFFORT

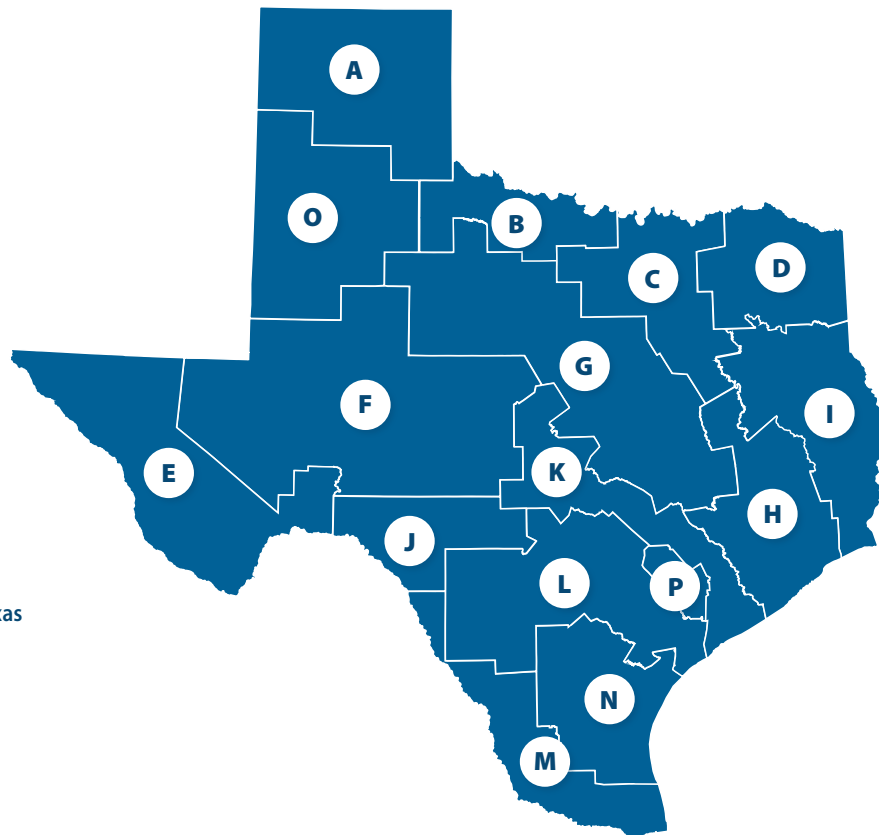
Though TWDB bears the ultimate responsibility for developing the SWP, the participation of all 16 regional water groups makes the plan comprehensive and representative of the state’s diverse needs. Regional water planning groups

EXHIBIT 1

TEXAS WATER PLANNING REGIONS

Planning Regions

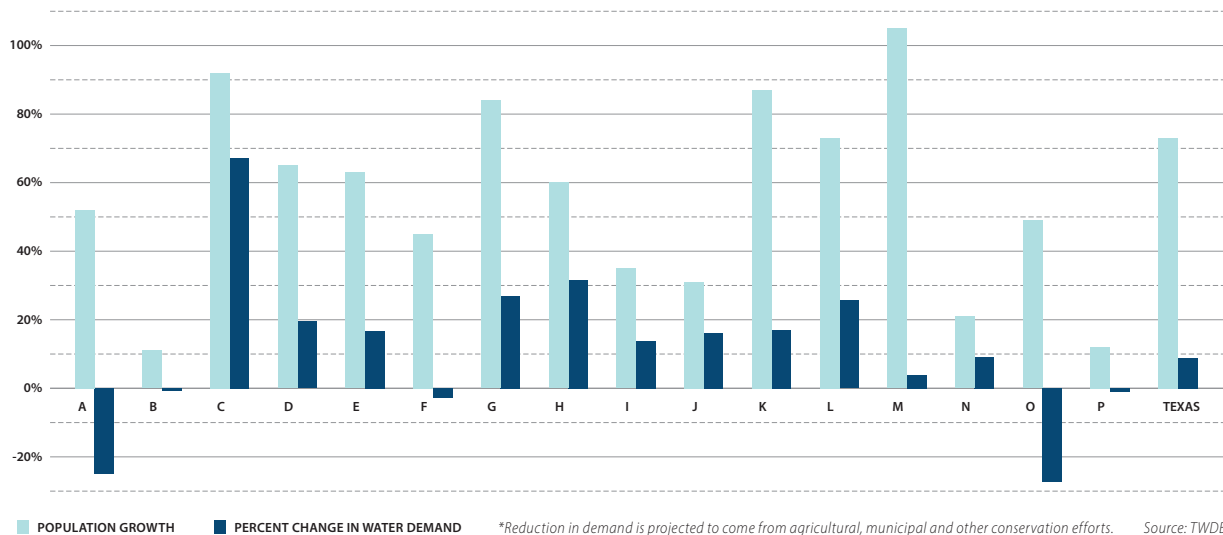
- A** Panhandle
- B** Region B
- C** Region C
- D** North East Texas
- E** Far West Texas
- F** Region F
- G** Brazos
- H** Region H
- I** East Texas
- J** Plateau
- K** Lower Colorado
- L** South Central Texas
- M** Rio Grande
- N** Coastal Bend
- O** Llano Estacado
- P** Lavaca



Source: TWDB

EXHIBIT 2

PROJECTED POPULATION GROWTH AND CHANGE IN DEMAND* BY WATER PLANNING REGION, 2020-2070



Cybersecurity for Water Utilities

Recent events in Ukraine have stoked fears about large-scale Russian cyberattacks against the U.S. Experts say that vulnerable targets include water utilities that depend heavily on computer systems to operate. According to the PEW Charitable Trusts, there are about 52,000 community water utilities in the U.S., most of which are operated by local governments and private companies that lack adequate funding to implement cybersecure systems. Water and wastewater systems represent one of 16 “critical infrastructure” sectors that, if disrupted, could have disastrous effects on national security, public health and economic growth.

The Environmental Protection Agency warns that cyberattacks on this sector not only have the potential to affect business processes (e.g., stolen customer financial data), but they also can be physically destructive to water facilities and harmful to households. Cybercriminals have shown they can manipulate operations at water treatment plants, such as disabling pumps and overriding alarms, which could then lead to water contamination and shortages.

In February 2021, cybercriminals hacked into the computer system at a water treatment facility near Tampa, Florida, that serves about 15,000 people and attempted to increase the amount of a certain chemical in the water supply to dangerous levels.

The TWDB has addressed cybersecurity in the state’s plan.

Sources: U.S. Cybersecurity and Infrastructure Security Agency; Environmental Protection Agency; Reuters; SWP, pp. 11-12 (twdb.texas.gov/publications/reports/administrative/doc/StratPlan2023_2027.pdf).

are composed of both voting and nonvoting stakeholders, including members of the public, small business owners, river authorities, municipalities and environmental and agricultural interest groups.

Each group develops and submits a region-specific plan utilizing its own data, along with population, water supply and water demand data sourced from TWDB. **Exhibit 2** shows the projected population and water demand data for each region.

Each regional water planning group develops the water supply plan for its planning area using state funds administered by TWDB. These plans identify water supply projects and strategies to address future needs.



Walt Sears, Northeast Texas Municipal Water District, Region D

Walt Sears, executive director of the Northeast Texas Municipal Water District in Region D, describes TWDB as an essential and “extremely valuable source of funding and comprehensive planning” vital to the conservation of water in Texas. He says social,

economic and industry growth, coupled with a rapidly growing population, are all important factors in driving regional water groups to plan for Texas’ current and future water needs.

“The analysis gives us a first pass examination of those possible costs if we don’t do anything [about water needs].”

– John Ellis, TWDB

ECONOMIC IMPACTS

It’s impossible to overstate the importance of water to the economy. Prominent industries across Texas and the nation, such as agriculture, mining, manufacturing and health care depend on clean and reliable water sources to operate. Clean water for households and businesses also promotes public health, a prerequisite for economic growth.

Since 1997, Texas law requires the state’s regional planning groups to assess the economic and social costs of not meeting their water needs. Most planning groups request TWDB to conduct the analyses for them — this is where TWDB’s projections and socioeconomic analysis team comes in. The team uses IMPLAN software, among other techniques, to produce estimates of the economic and demographic impacts of a one-year repeat of the region’s “drought of record.” The estimates assume that no strategies have been implemented to reduce water needs, and therefore, evaluate worst-case potential shortages.

Many planning regions have identified theoretically worse droughts of record for their water supply analyses than the

1950s drought that has often been used as the benchmark. For many water demand projections in the current water plan, the more recent drought of 2011 represents the driest year on record.

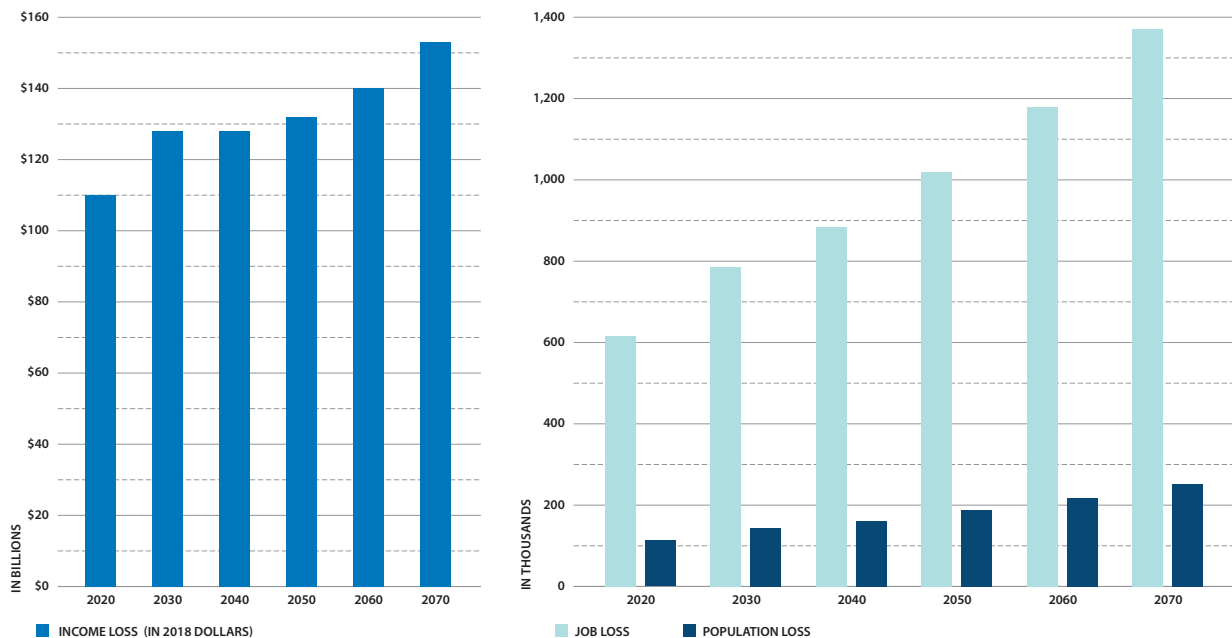
“The analysis gives us a first pass examination of those possible costs if we don’t do anything [about water needs],” says John Ellis, TWDB’s economist. “It helps point out those regions and cities that are probably going to face some significant adverse impacts in the future, and it gives a bit of an anticipated timeline for that.

“Our analysis focuses on two measures. One is lost income or lost value added, which also represents an estimate of GDP for each of the individual planning regions. The other is lost jobs.”

Ellis says that his team also estimates several secondary impacts, including foregone tax collections, school enrollment losses and population losses. **Exhibit 3** shows the projected statewide losses in income, jobs and population if planning groups take no action to reduce their water needs. Ellis stresses, however, that these data most likely underestimate

EXHIBIT 3

PROJECTED STATEWIDE ANNUAL ECONOMIC AND DEMOGRAPHIC IMPACTS IF WATER NEEDS ARE NOT MET, 2020-2070



Notes: Results are the summed impact estimates for the 16 planning regions in Texas; the impact model requires making many assumptions and acknowledging the model’s uncertainty and limitations, including a lack of reliable water use data for portions of the economy and limited knowledge concerning how a given economic sector might respond to a long-term drought; combining data for all regions may underestimate the economic impacts.

Source: TWDB

The 2022 State Water Plan

monetary losses and overestimate job and population losses when viewed from a state-level perspective.



John Ellis, Texas Water Development Board

“Our analysis is redone every five years, and we are constantly updating our methodology as well as the data we use to make projections,” says Ellis. “By doing so, it keeps this critical issue before the public and the Legislature. Especially as Texas continues to grow, [water planning] will become a bigger and bigger issue.”

WATER PROJECT FUNDING

Water projects typically require large initial investments, or capital costs, followed by decades-long payback periods. TWDB estimates that implementing the water projects recommended by the regional planning groups in the 2022 SWP will require \$80 billion in capital costs over the next 50 years — and the agency expects \$47 billion of that to come from state financial assistance programs (**Exhibit 4**).

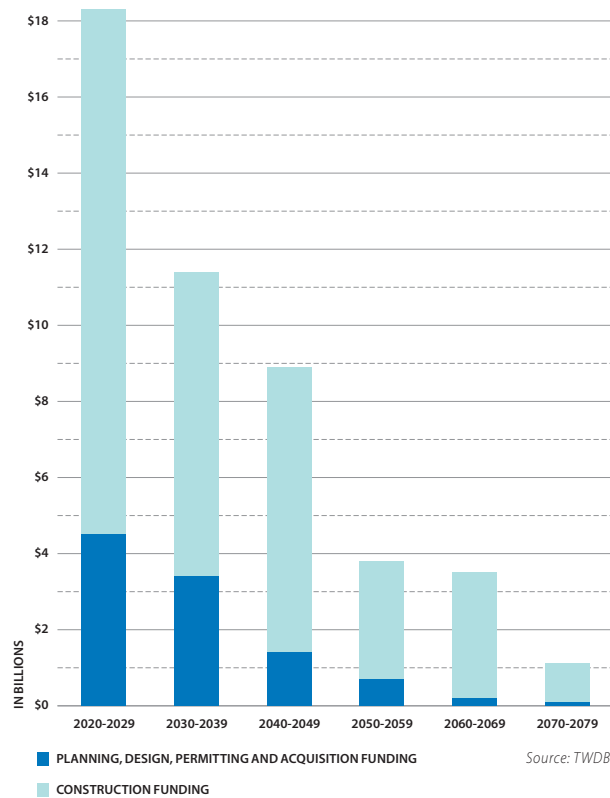
“The majority of these major [water] projects are for the long haul,” says Sears. “When we’re talking about a 50-year [planning] horizon for these projects, you have to talk about people that haven’t even been born yet.” He explains that TWDB provides long-term financing for high-cost water projects with a repayment method that allows the costs to be shared years into the future.

The largest state funding mechanism is the State Water Implementation Fund for Texas (SWIFT), a financial assistance program for water projects designed to conserve existing water supplies and create additional water supplies. (The Texas Treasury Safekeeping Trust Company manages these funds.) SWIFT provides project sponsors (e.g., municipalities, counties, river authorities) low-cost financing options for water projects recommended in the SWP that require long-term borrowing. These projects often involve the construction of new infrastructure; however, some projects involve planning, design and/or acquisition without any construction.

SWIFT has provided nearly \$8.9 billion in financial assistance for 78 water projects since 2015, the program’s first year. Sears says that while funding initiatives by the federal government, like the Infrastructure Investment and Jobs Act passed last

EXHIBIT 4

REPORTED STATE FINANCIAL ASSISTANCE NEEDS BY DECADE, 2020-2070



year, are helpful in the short term, it is SWIFT and other funding programs administered by TWDB that do the “heavy lifting.”

“We would not be having success in the 21st century if SWIFT had not come along,” he says. “It was a critically important decision made by state legislators and voters that we are still hugely benefiting from.”

CONCLUSION

“The water planning process has encouraged Texas to consider its future needs as our state grows and to some extent prepare for that growth,” says Votteler.

No doubt preparing Texans for drought will continue to present challenges and require advancements in water planning to adapt to those challenges. **FN**

To learn more about water infrastructure financing in Texas, see our April 2019 edition of Fiscal Notes at [FiscalNotes.org/2019/apr/funding-water.php](https://www.fiscalnotes.org/2019/apr/funding-water.php).

You also can read about cybersecurity and efforts in Texas to defend against cyberattacks in our December/January 2022 edition of Fiscal Notes at [FiscalNotes.org/2022/jan/cybersecurity.php](https://www.fiscalnotes.org/2022/jan/cybersecurity.php).



WASTEWATER NOT WASTING AWAY IN TEXAS CITIES

Sewage is not waste but a water source in Texas, thanks to innovative thinking. Across the state, the increasing demand for water and drought preparations are driving innovation to reduce demand and increase supply. The solutions are as diverse as Texas, and every aspect of its water system is being evaluated. The motivation is clear: The state’s economy from oil and gas to agriculture and manufacturing, along with life in every Texas town and city, depends on clean and reliable sources of water.

Though not the most appealing, wastewater is reliable, and for a price, it can be cleaned and become a source of its own. In 2020, wastewater reuse made up 7.2 percent of new water supplies in Texas. By 2070, the State Water Plan predicts that reuse will make up 15.1 percent of new water supplies and surpass groundwater as a source of new supplies (**Exhibit 1**).

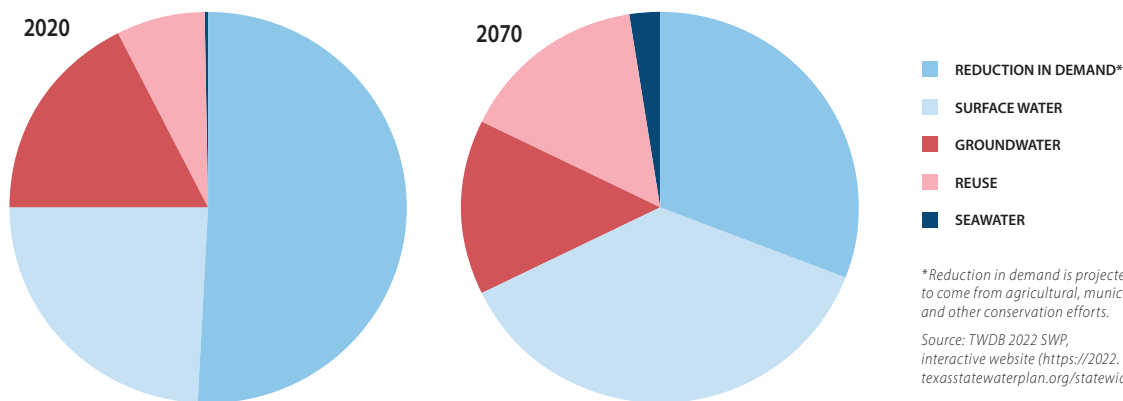
A BRIEF TEXAS HISTORY OF WATER INNOVATIONS

Texas has a long history of direct and indirect water reuse projects. The wastewater from toilets and showers in Fort Worth and Dallas is treated to meet all federal and state standards before being released into the Trinity River to augment the water supply of Houston.

As far back as 1949, Odessa started to reuse the effluent (i.e., the treated outflow from the sewage treatment plant) from a wastewater treatment plant. Now Odessa and Midland sell wastewater for use in fracking oil and gas wells, local irrigation and industrial processes.

EXHIBIT 1

NEW WATER IN STATE WATER PLAN – PERCENT SHARE BY WATER RESOURCE



*Reduction in demand is projected to come from agricultural, municipal and other conservation efforts.

Source: TWDB 2022 SWP, interactive website (<https://2022.texasstatewaterplan.org/statewide>)

“We have moved beyond the days of teaching little kids to turn off the water while brushing their teeth.”

– Katherine Jashinski, Austin’s Onsite Water Reuse Program

In 2009, the North Texas Municipal Water District started indirect wastewater reuse with an 1,840-acre engineered wetland to filter and clean the heavy effluent flows of the Trinity River’s East Fork before sending them to a treatment plant.

In 2013, Big Spring started directly augmenting its freshwater supplies with highly treated water from its sewage treatment plant. Wichita Falls did the same in 2018. El Paso, which has been mixing treated effluent with its aquifer water since 1985, is also planning to directly augment its water supply with highly treated sewage.

On-site water reuse is the next generation. In 2020, the Wimberly School District built Blue Hole Primary School and included in its design the mechanisms to harvest rainwater, air conditioning condensation and grey water (wastewater from showers, baths, sinks and washing machines) to provide water for toilets, landscaping and fire suppression.

INNOVATION FOR WATER DIVERSIFICATION

“The easy water is gone, or soon to be gone,” says Robert Mace, executive director and chief water policy officer for The Meadows Center for Water and the Environment at Texas State University.

Mace, who was the deputy executive administrator for the Water Science & Conservation Office at the Texas Water Development Board before joining The Meadows Center, believes demand for water could eventually lead cities in Central Texas to fund projects near the Gulf to turn seawater into drinking water and transport that water through pipelines, but he says planners first will work to make existing systems more efficient.



Robert Mace, The Meadows Center for Water and the Environment, Texas State University

One of the latest examples in this trend is the 198,000-square-foot Austin Central Library, which has reduced its potable water use by 85 percent by capturing rainwater and air conditioning condensate and tapping into the city’s purple pipe network. (Purple is the standard color of pipes across the U.S. that carry recycled water.)

The purple pipe distributes treated effluent, primarily for irrigation, but the water is clean enough for non-potable uses like flushing toilets or manufacturing.

In San Antonio, Credit Human, a credit union, has set the bar higher. The company says its new 200,000-square-foot office building has reduced its potable water use by 97 percent using San Antonio’s purple pipe network, efficient fixtures and a geothermal heating and cooling system. As a result, Credit Human reports its water bills are about 80 percent lower than for its previous building.

REUSE IN ACTION

In June, the city of Austin celebrated a rain and condensate catchment system along with a mini sewage treatment plant at the entrance to the city’s new Permitting and Development Center. The catchment system is named OSCAR (short for “on-site collection and reuse system”); the treatment plant, CLARA (“closed-loop advanced reclaimed assembly”).

By catching rainwater, collecting air conditioning condensate and treating sewage on-site for irrigation and non-potable uses like flushing toilets, the city estimates OSCAR and CLARA will reduce potable water demand for the 260,000-square-foot building by 75 percent, saving the city more than 1 million gallons of water each year (**Exhibit 2**).

OSCAR and CLARA have been operating since May 2022 and are not subtle. Interpretive displays surround the two systems and flank the entrance to the permitting building where every commercial developer is now asked to consider on-site water reuse. For any new building in Austin larger than 250,000 square feet, on-site water reuse will be a requirement by 2023.

“It’s a paradigm shift,” says Katherine Jashinski, the supervising engineer for Austin’s Onsite Water Reuse Program. “We have moved beyond the days of teaching little kids to turn off the water while brushing their teeth.”



Katherine Jashinski, Austin’s Onsite Water Reuse Program

Instead of individual actions to conserve water, which still are promoted and important, the focus is on rethinking the entire water system, she says.

CLARA cost \$1.7 million, and OSCAR came in at \$625,000. Jashinski says the financial return on such systems — if only current water rates are considered — can take from 10 to 40 years. But the higher water demand and treatment costs

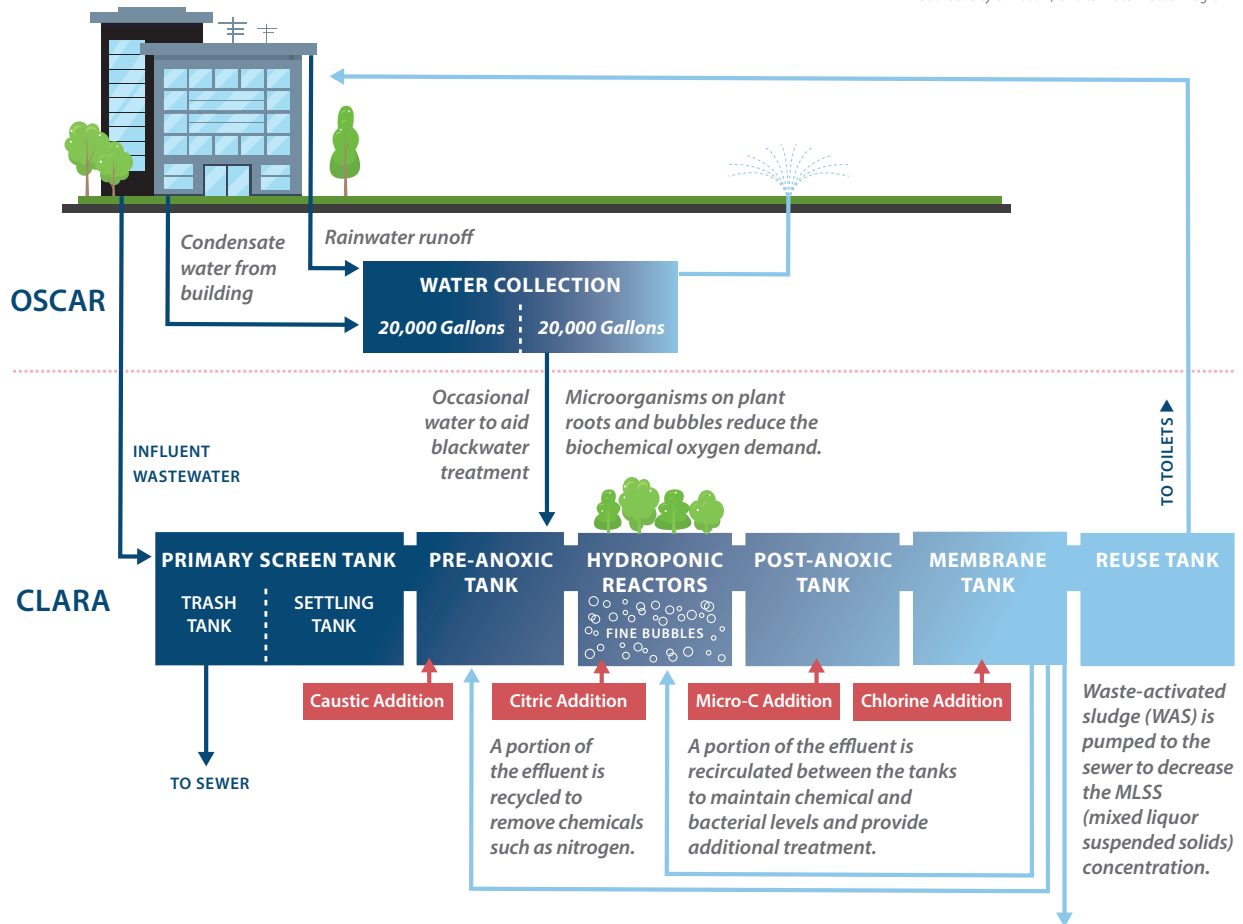
of the future are what she and the city of Austin are concerned about and what make the projects attractive now.

Innovations in Texas Water Systems

EXHIBIT 2

THE OSCAR AND CLARA SYSTEMS

Source: City of Austin, Onsite Water Reuse Program



Currently, the city will pay up to \$500,000 per water reuse project to offset costs. According to an initial assessment, in which Jashinski played a role, property owners who upgrade their buildings with water reuse and energy-efficient measures can utilize financing in partnership with local governments to save money from the onset of large developments. The programs enable owners to lower their operating costs and use the savings to pay for water reuse and energy-efficient upgrades over a period of 20 years or more, with little to no capital outlay.

THE BIG PICTURE

“There is no such thing as wastewater anymore,” says Anne Kenny Hayden, a spokesperson for the San Antonio Water System (SAWS).

Wastewater is, indeed, a growing water source in the Texas Water Plan, as **Exhibit 3** shows, while surface water and groundwater are shrinking.



Anne Kenny Hayden,
San Antonio Water System

SAWS has offered rebates and focused on conservation to meet water demand for decades. It has one of the largest purple pipe networks in the country that reuses treated effluent to keep San Antonio’s golf courses green, the River Walk’s river flowing and the Toyota truck plant operating. The city’s system also has diversified its water sources by desalinating brackish groundwater,

using underground sand formations as reservoirs and building pipelines. It participates in a plan that pays farmers to forgo irrigating crops in dry years to help maintain higher levels in the Edwards Aquifer, the primary water source for an eight-county region that includes San Antonio.

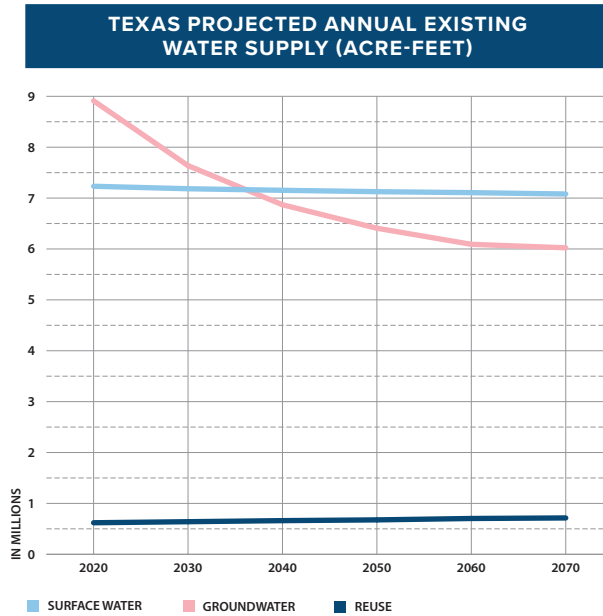
Now Hayden says the utility is focusing on customers by rolling out the largest smart meter installation in the country.

Innovations in Texas Water Systems

“All these innovative projects are important because they advance the conversation, but we have to get away from this silver bullet mentality, that desal[ination] will save us, or rainwater capture will save us.”

– Amy Hardberger, Texas Tech University

EXHIBIT 3



Note: Does not reflect some portions of existing supplies that are associated with purely saline water sources such as untreated seawater.

Source: TWDB 2022 SWP interactive website (<https://2022.texasstatewaterplan.org/statewide>)



Donovan Burton, San Antonio Water System

SAWS Vice President of Water Resources & Governmental Relations, Donovan Burton, says the big water innovation in using smart meters is the ability to make consumers a direct partner in water planning by giving them real-time data that show the actual cost of watering a lawn.

“That allows them to drive the conversation,” he says.

Burton sees this broader incorporation of diverse stakeholders as the future of water planning.

He points to Mitchell Lake on San Antonio’s south side as an example. It was part of a sewage treatment plant until 1987 and is now an internationally recognized birding destination, hosting 350 species and managed by the Audubon Society.

However, after 1987, nutrients below the shallow waters of the lake caused harmful algae blooms, which then flowed into the Medina River during heavy rain events.

The simple solution was \$200 million to dredge the sediments, Burton says. This would have destroyed the bird habitat and the locally loved and internationally recognized facility.

SAWS instead went to work and consulted with the Texas Commission on Environmental Quality and the Environmental Protection Agency to find an alternative. The solution was a \$70 million to \$90 million project to build additional wetlands to filter the runoff. In the process, SAWS created a more diverse habitat for the birds and a bigger birding center and forged stronger partnerships with the National Audubon Society and the city of San Antonio.

“It’s more complex to break down the silos,” Burton says, “but it adds so much more to the quality of the project and the community benefits.”

Broadening the conversation is where the bigger value of projects like the Mitchell Lake wetlands and CLARA and OSCAR come into play, says Amy Hardberger, Texas Tech University George W. McCleskey professor of water law and director of the Center for Water Law and Policy. Hardberger also is a SAWS board member.

“We have a tendency to see this innovative project and say, ‘Oh, we should do that,’” she says. “All these innovative projects are important because they advance the conversation, but we have to get away from this silver bullet mentality, that desal[ination] will save us, or rainwater capture will save us.”



Amy Hardberger, Center for Water Law and Policy, Texas Tech University

The reality, Hardberger says, is that Texas is too diverse for any one project or innovation to solve all the challenges. It will require a combination of different types of projects and thinking about water.

“Necessity is the mother of invention,” she says. “But once it is invented, you don’t have to wait for necessity. We can do this now.” **FN**

Learn more about water conservation standards for designing state buildings and facilities of higher education from the State Energy Conservation Office, a division of the Comptroller’s Office, at [Comptroller.Texas.gov/programs/seco/docs/2020-water-conservation-design-standards.pdf](https://comptroller.texas.gov/programs/seco/docs/2020-water-conservation-design-standards.pdf).

Monthly and Year-to-Date Collections: Percent Change from Previous Year (IN THOUSANDS)

This table presents data on net state revenue collections by source. It includes most recent monthly collections, year-to-date (YTD) totals for the current fiscal year and a comparison of current YTD totals with those in the equivalent period of the previous fiscal year. These numbers were current at press time. For the most current data as well as downloadable files, visit comptroller.texas.gov/transparency.

Note: Texas' fiscal year begins on Sept. 1 and ends on Aug. 31.

1. Includes public utility gross receipts assessment, gas, electric and water utility tax and gas utility pipeline tax.

2. Includes taxes not separately listed, such as taxes on oil well services, coin-operated amusement machines, cement and combative sports admissions as well as refunds to employers of certain welfare recipients.

3. Includes various health-related service fees and rebates that were previously in "license, fees, fines and penalties" or in other non-tax revenue categories.

4. Gross sales less retailer commission and the smaller prizes paid by retailers.

Notes: Totals may not add due to rounding. Excludes local funds and deposits by certain semi-independent agencies. Includes certain state revenues that are deposited in the State Treasury but not appropriated.

TAX COLLECTIONS BY MAJOR TAX	JUNE 2022	YEAR TO DATE: Total	YEAR TO DATE: Change from Previous Year
SALES TAX	\$3,675,204	\$35,320,745	20.55%
<i>Percent Change from June 2021</i>	16.41%		
MOTOR VEHICLE SALES AND RENTAL TAXES	\$584,171	\$5,192,471	14.64%
<i>Percent Change from June 2021</i>	-1.14%		
MOTOR FUEL TAXES	\$323,497	\$3,139,127	6.39%
<i>Percent Change from June 2021</i>	2.59%		
FRANCHISE TAX	\$133,881	\$5,291,297	24.80%
<i>Percent Change from June 2021</i>	-94.40%		
OIL PRODUCTION TAX	\$679,047	\$5,058,690	89.66%
<i>Percent Change from June 2021</i>	87.12%		
INSURANCE TAXES	\$79,047	\$1,923,144	21.78%
<i>Percent Change from June 2021</i>	48.65%		
CIGARETTE AND TOBACCO TAXES	\$115,304	\$1,010,384	-10.36%
<i>Percent Change from June 2021</i>	1.98%		
NATURAL GAS PRODUCTION TAX	\$439,137	\$3,412,495	192.63%
<i>Percent Change from June 2021</i>	175.59%		
ALCOHOLIC BEVERAGES TAXES	\$149,778	\$1,350,172	36.30%
<i>Percent Change from June 2021</i>	8.76%		
HOTEL OCCUPANCY TAX	\$66,977	\$556,988	53.76%
<i>Percent Change from June 2021</i>	24.28%		
UTILITY TAXES ¹	\$460	\$368,246	-0.73%
<i>Percent Change from June 2021</i>	-97.47%		
OTHER TAXES ²	\$14,254	\$219,286	46.33%
<i>Percent Change from June 2021</i>	-76.10%		
TOTAL TAX COLLECTIONS	\$6,260,756	\$62,843,046	27.13%
<i>Percent Change from June 2021</i>	-15.52%		

REVENUE BY SOURCE	JUNE 2022	YEAR TO DATE: Total	YEAR TO DATE: Change from Previous Year
TOTAL TAX COLLECTIONS	\$6,260,756	\$62,843,046	27.13%
<i>Percent Change from June 2021</i>	-15.52%		
FEDERAL INCOME	\$7,472,535	\$60,346,934	13.04%
<i>Percent Change from June 2021</i>	33.84%		
LICENSES, FEES, FINES AND PENALTIES	\$553,705	\$5,332,499	1.89%
<i>Percent Change from June 2021</i>	11.20%		
STATE HEALTH SERVICE FEES AND REBATES ³	\$1,691,593	\$8,485,883	71.26%
<i>Percent Change from June 2021</i>	12.46%		
NET LOTTERY PROCEEDS ⁴	\$278,248	\$2,451,706	-3.12%
<i>Percent Change from June 2021</i>	3.60%		
LAND INCOME	\$404,675	\$3,392,064	101.97%
<i>Percent Change from June 2021</i>	70.32%		
INTEREST AND INVESTMENT INCOME	\$460,916	\$1,898,684	19.73%
<i>Percent Change from June 2021</i>	40.27%		
SETTLEMENTS OF CLAIMS	\$14,428	\$652,804	-12.16%
<i>Percent Change from June 2021</i>	549.49%		
ESCHEATED ESTATES	\$473,683	\$630,212	18.47%
<i>Percent Change from June 2021</i>	32.10%		
SALES OF GOODS AND SERVICES	\$18,113	\$254,532	-5.14%
<i>Percent Change from June 2021</i>	-62.76%		
OTHER REVENUE	\$764,774	\$2,410,357	8.11%
<i>Percent Change from June 2021</i>	259.91%		
TOTAL NET REVENUE	\$18,393,425	\$148,698,722	21.31%
<i>Percent Change from June 2021</i>	11.79%		



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