

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 28, 2003

TO: Honorable Glenn Lewis, Chair, House Committee on County Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB722 by Guillen (Relating to the powers of the commissioners court in a county that has no incorporated municipality.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to authorize the commissioners court in counties that have no incorporated municipalities within the county's borders to exercise the same powers of the governing body of a Type A general law municipality, including municipal regulatory authority. The commissioners courts would not have authority outside the county's boundaries. The provisions of the bill would also provide for changes in authority if a municipality within the county were to incorporate. The bill would take effect September 1, 2003.

There are 10 counties that do not have an incorporated municipality within their borders: Borden, Crockett, Glasscock, Jim Hogg, Kenedy, King, Loving, McMullen, Terrell, and Zapata. County judges in Borden and Glasscock counties estimated there would be potential revenue gains as a result of implementing the provisions of the bill, although they also expect there would be administrative costs that could be significant. The county auditor in Crockett estimates, however, that there would be no significant fiscal impact if the county were to implement the provisions of the bill.

According to the results of a survey conducted by the Comptroller of Public Accounts of five cities similar in population and area size to the affected counties, the fiscal impact of the regulatory functions for a Type A general law municipality are generally insignificant. The City of Orange Grove, however, reported related expenditures of \$10,000 and indicated that amount is significant in relation to the city's overall budget.

Although a county may not incur similar general fund expenditures as cities of comparable population and geographical size, if the eligible counties were to exercise the authority provided by the bill, there could be added costs and revenue, most of which, although varied, is expected to be insignificant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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