

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 15, 2003

TO: Honorable Anna Mowery, Chair, House Committee on Land & Resource Management

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1197 by Krusee (Relating to authorization for a development agreement between a municipality and an owner of land in the municipality's extraterritorial jurisdiction.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would authorize a municipality to enter into a written development agreement with a landowner in the municipality's extraterritorial jurisdiction (ETJ) that would guarantee that the municipality would continue the ETJ status and not annex the area for at least 15 years. The agreement would extend the municipality's planning, land use, and development regulations authority and enforcement authority to the area covered in the agreement. The municipality would provide for infrastructure for the land and would have authority over environmental regulations.

The written agreement would have to be recorded in the real property records of each county in which part of the land listed in the agreement is located. The contract could be renewed for successive periods not to exceed 15 years and not to exceed a total of 45 years. The agreement would be binding on successors and assigns, but not to any end-buyer of a fully developed and improved lot within the development.

The agreement would also provide for terms of annexation should the parties agree to annexation during the period of the agreement.

The bill would take effect immediately if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2003.

Local Government Impact

The fiscal impact to a municipality entering into a development agreement would vary depending on the cost of providing services, the size of the area the agreement covers, existing infrastructure, and any other provisions of the agreement.

Source Agencies:

LBB Staff: JK, CL, DLBa