

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**March 11, 2003**

**TO:** Honorable Robert Talton, Chair, House Committee on Urban Affairs

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB1204** by Baxter (Relating to the authority of municipalities and counties to regulate subdivisions in a municipality's extraterritorial jurisdiction.), **As Introduced**

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

The bill would amend Section 242.001, Local Government Code to authorize municipalities and counties in a county with a population of less than 700,000 to regulate subdivisions in a municipality's extraterritorial jurisdiction (ETJ). The municipalities would have authority to regulate plats and subdivisions in the ETJ in accordance with other applicable statutes and Chapter 212, Local Government Code, which addresses municipal regulations of subdivisions and property development. The counties would have authority in accordance with other applicable statutes and Chapter 232, Local Government Code, which addresses county regulations of subdivisions and property development. The bill would designate in a conflict that a municipal regulation would prevail in all cases except those relating to the design and construction of roads, road drainage infrastructure, or subdivision drainage infrastructure.

Additionally, the bill would amend Section 242.002, Local Government Code, to provide that in counties with a population of 700,000 or more, or counties adjacent to those counties and within the same metropolitan statistical area, in a municipality's ETJ the county would have exclusive authority to regulate plats and subdivisions. In those areas, the county and municipality would be allowed to enter into an interlocal agreement to authorize the municipality to regulate certain aspects of the subdivision and require the owner of a subdivided tract to execute a performance bond for the construction of improvements. The bill would provide exceptions for municipalities and counties related to regulation authority.

The bill would take effect September 1, 2003 and apply only to a subdivision plat filed on or after that date.

**Local Government Impact**

Under current statute, a municipality and a county may not both regulate subdivisions in the ETJ in certain circumstances, and the municipality, rather than the county, has exclusive authority to regulate subdivisions in the ETJ. Current statute also requires a municipality and a county to enter into a written agreement to determine which entity has authority to regulate plats and related permits in the ETJ, and sets out what should be contained in the agreement. Some exceptions apply to counties that contain the ETJ of a municipality with a population of 1.9 million or more, within a county located within 50 miles of an international border, or within an economically distressed county.

In counties with a population under 700,000, the proposed changes in statute are not anticipated to have a significant fiscal impact to counties or municipalities.

In counties with a population over 700,000, the proposed changes in statute are not anticipated to have a significant fiscal impact on the counties, although six of the municipalities that would be affected indicated that because there are differences in municipal and county standards regarding various infrastructures, there could be significant costs for upgrades if the municipality were to bring the ETJ

into the city limits. Fiscal impact would vary depending on whether or not there are significant differences between a city's and a county's infrastructure standards and whether or not annexation of the area were to occur.

**Source Agencies:**

**LBB Staff:** JK, DLBa