

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

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

**April 1, 2003**

**TO:** Honorable Robert Puente, Chair, House Committee on Natural Resources

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

**IN RE: HB2564** by Paxton (Relating to review by a county of a petition for the creation of a municipal utility district.), **As Introduced**

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

The bill would amend the Water Code to establish specific timeframes in which a petition for creating a municipal utility district (MUD) must be filed by the petitioners and reviewed by the county commissioners court. Proof of the filing and of the commissioners court review, if one was necessary, must be received by the Texas Commission on Environmental Quality (TCEQ) before TCEQ may consider the petition. Notwithstanding those requirements, the TCEQ must receive a favorable recommendation from the commissioners court to approve a petition for a MUD to be located or partially located in a county that has a population of 400,000 or more or is adjacent to a county with a population of one million or more.

The bill would take effect September 1, 2003 and apply only to a petition filed with the TCEQ on or after that date.

The TCEQ states that the costs associated with the requirements of the bill would be insignificant and could be absorbed using existing resources. The impact to the county would also be insignificant.

**Local Government Impact**

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

**Source Agencies:** 582 Commission on Environmental Quality

**LBB Staff:** JK, CL, DLBa