

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 23, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB542 by Lindsay (Relating to exclusion of land from certain water districts for failure to provide facilities and services.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 49, Water Code, to establish procedures by which a landowner may seek to have their property excluded from certain water districts for failure to provide facilities and services. The bill would establish procedures for when the land has been taxable by the district for more than 20 years and no bonds issued payable from taxes are outstanding and procedures for when the land is in a district of more than 5,000 acres and has been part of and taxable by the district for more than 28 years if any bonds issued by the district that are payable in whole or in part from taxes are outstanding.

If the land is excluded but was part of a pledged security for any outstanding debt prior to exclusion, the district would still be allowed to levy taxes on that land until the land's pro rata share of the district's debt at the time of the exclusion is collected.

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

Local Government Impact

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

Source Agencies:

LBB Staff: JK, CL, DLBa