

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 27, 2005**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB467** by Bailey (Relating to the financing of water and sewer programs in disadvantaged areas. ), **As Passed 2nd House**

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

The bill would modify current eligibility requirements for communities to qualify for funding under the Economically Distressed Areas Program (EDAP) operated by the Water Development Board, removing requirements linking eligibility to average per capita income, unemployment levels, and proximity to the international border and replacing them with a requirement based on median income. For a community to receive EDAP assistance, the county in which that community is located would have to have adopted the model subdivision rules in Water Code, § 16.343.

The bill would effectively expand the number of political subdivisions eligible for EDAP funding. Although the demand for such funding would thus increase substantially, costs would depend on the funding source for the financial assistance and amounts made available.

**Local Government Impact**

Impact to local governments that would qualify for EDAP funding upon passage of the bill could benefit from financial assistance for water supply or sewer services. The positive fiscal impact would vary by local government entity and be dependent upon availability of funds.

**Source Agencies:** 580 Water Development Board, 582 Commission on Environmental Quality

**LBB Staff:** JOB, WK, SD, TL, DLBa