

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 19, 2005

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

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.), **Committee Report 2nd House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would create the Economically Disadvantaged Areas program, making financial assistance from the program to areas with not more than 75 percent of the median state household income without respect to county. This would effectively expand the number of political subdivisions eligible for Economically Distressed Areas Program funding. Although the demand for Water Development Board funding would increase substantially, costs would depend on the funding source for the financial assistance and the amount of funds made available.

Local Government Impact

Impact to local governments that meet the definition of economically distressed area would 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, SD, TL, DLBa