

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**April 22, 2005**

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

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

**IN RE: HB2939** by Hilderbran (Relating to the assumption of road district powers by certain conservation and reclamation districts.), **As Introduced**

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

The bill would amend the Water Code to authorize the board of a conservation and reclamation district, except a district located in counties of certain population size and geographic location (Harris County and counties adjacent to it) to order an election to determine whether the district should assume the rights, authority, privileges, and functions of a road district under Article III, Section 52(b) (3) of the Texas Constitution. The bill would establish the procedures for the election and for the district to assume the rights, authority, privileges, and functions of a road district if the voters approve the assumption of the road district. If as a result of voter approval the district assumes the functions of a road district, it would be required to have approval by at least two-thirds of the qualified voters voting in an election to authorize issuance of bonds for road district purposes.

Authority of the Texas Transportation Commission over issuance of district bonds, and commission supervision of projects and improvements would not apply to a road project undertaken by a reclamation district that has adopted the rights of a road district.

The district would be authorized to acquire land, easements, or other property by condemnation for a district road project and would be required to maintain all roads constructed or purchased by the district unless the county or another political subdivision assumes that responsibility.

The bill would take effect immediately if it receives the required two-thirds vote in each house; otherwise, it would take effect September 1, 2005.

**Local Government Impact**

A district would incur the costs of an election for seeking approval to assume road project authority and for seeking authorization to issue bonds. According to a sampling of election costs reported by local government entities to the Secretary of State in March 2004, the average election cost per registered voter is \$1.29. Election costs would be higher if the election is held on a uniform election date other than on the general election date. Costs would vary by district.

It is assumed that if issuance of bonds is not approved, the district would not take actions that would incur costs for which it does not have financing, and if issuance of bonds is approved, the district would have sufficient revenue from bonds to undertake needed projects and to maintain applicable roads.

**Source Agencies:** 601 Department of Transportation

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