

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 1, 2005

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

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

IN RE: HB3284 by Guillen (Relating to requiring voter approval for certain rate increases by water and sewer utilities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would prohibit a water or sewer utility from cumulatively increasing rates by 25 percent or more in a calendar year, except if the increase is necessary to ensure the provision of continuous and adequate services; otherwise, a majority of the members/customers in the water or sewer utility affected by the proposed rate increase would have to vote to approve the increase. The bill would take effect September 1, 2005.

Local Government Impact

Based on data submitted by various local government entities to the Secretary of State in March 2004, the average cost per registered voter for an election is \$1.29. The cost would vary by utility and would depend on the number of voters affected.

Source Agencies:

LBB Staff: JOB, WK, DLBa