

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 20, 2005

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: SB861 by Ellis (Relating to the level of municipal participation in contracts with developers for public improvements.), **Committee Report 1st House, As Amended**

No fiscal implication to the State is anticipated.

The bill would authorize that for a municipality with a population of 1.8 million or more, a contract with developers for public improvements may allow participation of the municipality at a level not to exceed 70 percent of the total contract price. In addition, a municipality with a population of 1.8 million or more may participate at a level not to exceed 100 percent of the total contract price for all required drainage improvements related to the development and construction of affordable housing.

Under current statute, the maximum limit on the level at which any municipality may participate in such a contract is 30 percent of the total contract price. Existing statutory requirements would still apply to municipalities with a population of less than 1.8 million. According to the 2000 federal census, only the City of Houston has a population of more than 1.8 million; therefore, the bill would apply only to Houston.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, DLBa