

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 3, 2007

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: HB713 by Callegari (Relating to the authority of a fresh water supply district to issue bonds or to enter into a contract to convey property to another water district or water supply corporation.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would add Section 53.105 to the Water Code to authorize a fresh water supply district to enter into a contract with an authorized water district or a water supply corporation to authorize the district to acquire, through the issuance of debt or other means, and convey to the other district or corporation all or part of a water supply, treatment, or distribution system, a sanitary sewage collection or treatment system, or works or improvements necessary for drainage of land in the district. The provisions of the bill set out what a contract could cover; how impact fees could be imposed and paid; and how payments for the purchase of water, sewer, or drainage systems would be imposed and paid.

The bill would require a contract under Section 53.105 to be approved by a majority vote of the governing bodies of the districts involved in the contract. If an election of the qualified voters of the fresh water supply district is required for the imposition of a tax by the district or the authorized water district, the fresh water supply district or the authorized water district would be required to call the election.

Local Government Impact

It is assumed that the applicable local government entities would enter into a contract authorized under the provisions of the bill only if those entities considered the contract to be beneficial not only for efficiency and to best meet the district's needs, but also economically.

If an election is required, the district would incur election costs. Based on a sampling of municipalities and special districts self-reporting data for calendar year 2006 and a sampling of counties self-reporting data for calendar year 2005 to the Secretary of State's Office, the average cost incurred by a local government entity for conducting an election would range from \$0.70 to \$1.25 per registered voter. The total election costs would vary by district depending on the number of voters registered in each.

No significant fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, WK, DB