

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB1314 by Bailey (Relating to the regulation and financing of water and sewer utility systems in certain counties; providing a civil penalty.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Section 412.016 of the Local Government Code to lower from 2.8 million or more to 2.0 million or more the population bracket for determining which counties would be authorized to provide a water or sewer utility system to an area within a municipality, with the municipality's approval. The population bracket would also affect which counties may issue general obligation bonds with the approval of qualified voters to finance a water or sewer utility system. Under current statute, the provisions of the bill apply only to Harris County and the counties that adjoin Harris County. The change in population brackets would add Dallas County and the counties that adjoin Dallas County.

The bill would add Section 412.017 to the Local Government Code to authorize a county with a population of 3.3 million or more to regulate certain water and sewer utility systems. Based on the 2000 U.S. Census, the section would apply only to Harris County.

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, DB