

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 19, 2007

TO: Honorable Phil King, Chair, House Committee on Regulated Industries

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

IN RE: HB1893 by Dutton (Relating to requiring a municipality to notify certain public utilities and telecommunications utilities on receiving an application for a permit to excavate or construct underground facilities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 282 of the Local Government Code by adding Section 282.004, which would require municipalities to create and maintain a joint trench notification list of public utilities and certificated telecommunications utilities that request notification when another utility files an application for a permit to excavate or construct underground facilities in the municipality.

The bill would require municipalities to provide notice to each utility on the list upon receiving an application or an intent to file an application for a construction permit. The notice must include the general location of the planned construction, the estimated construction dates, the types of facilities to be constructed and the responsible party with the utility filing the application, including the party's contact information. Upon receiving notice, affected utilities could file for a permit to excavate or construct a facility in the same trench and at the same time as the original utility. Utilities constructing in the same trench at the same time would be required to resolve cost sharing issues or engage in binding arbitration. Municipalities would resolve any construction detail disputes during the permitting process.

This bill would take effect on September 1, 2007.

Local Government Impact

The Comptroller of Public Accounts contacted several towns and municipalities regarding the fiscal impact of the provisions of the bill. The town of Bulverde (population 3,761) indicated that the cost of maintaining such a list would be nominal. The City of Seguin (population 22,011) indicated that it coordinates utility construction at this time and the cost would be nominal. The City of Fort Worth (population 534,694) indicated that there would be no additional cost because the city currently coordinates utility construction.

The City of Houston (population over 1.9 million) reported that it would be required to revise the city's street cut software, modify the Genealogical Information Manager's/Geographic Information System programs, develop a database for utility information, and add staff to manage new responsibilities and dispute resolution. The city also estimated a first-year cost of \$1 million and annual costs of \$500,000.

The fiscal impact on municipalities would vary based on differences in the size, number of utilities involved, and organizational differences of each municipality.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, DB