

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 15, 2007**

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

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

**IN RE: HB3772** by Puente (Relating to the creation of a municipal utility district upon release from a certificate of public convenience and necessity.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would add Section 54.0164 to the Water Code to allow the owner of certain tracts of land to receive service from an applicable municipality. The municipality must provide service by the owner's timeframe or a municipal utility district must be formed to provide the service. The time requirements and the municipality's and county's consent are waived and the creation shall be expedited by the Texas Commission on Environmental Quality (TCEQ) and approved within 90 days of receiving an administratively complete application.

The provisions of the bill would apply only to a tract or tracts of land that were the subject of an executed release agreement by a rural water supply corporation prior to the effective date of the bill, which would be September 1, 2007.

TCEQ reports that the agency would have to propose and adopt rules to implement the bill's provisions, which would be accomplished within existing resources.

**Local Government Impact**

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

**Source Agencies:** 582 Commission on Environmental Quality

**LBB Staff:** JOB, WK, DB