

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 30, 2007

TO: Honorable Wayne Smith, Chair, House Committee on County Affairs

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

IN RE: HB3833 by Farias (Relating to annexation by a municipality of area designated as a public improvement district by a county.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would add Section 43.082 to Subchapter D, Chapter 43 of the Local Government Code to prohibit a municipality from annexing a part of a public improvement district established by a county unless the municipality annexes the entire area of the district. The municipality would be required to pay all unpaid debt incurred under Subchapter A, Chapter 372, by the county for the district. After payment of the debt and completion of the annexation, the county would be required to provide the municipality with any remaining assets allocated to the district. One year after annexation, the district would be dissolved.

The bill would apply only to an annexation for which the process begins on or after the effective date of the bill. The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Local Government Impact

The fiscal impact to a municipality or county would depend on the amounts of debt and assets involved with an affected district; however, it is assumed that a municipality would not choose to annex an area that includes a public improvement district unless the municipality had sufficient budget to take on the associated debt.

Source Agencies:

LBB Staff: JOB, DB