

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

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

**March 29, 2007**

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

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

**IN RE: SB1271** by West, Royce (Relating to the authority of a county to acquire, own, and operate a water or sewer utility system within a municipality with the approval of the municipality.),  
**As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend Section 412.016, Local Government Code, to authorize a county to acquire, own, finance, operate, or contract for the operation of a water or sewer utility system, with the approval of the governing body of a municipality, to serve all or a part of an area within the municipality. Under current statute, only a county with a population of 2.8 million or more or a county adjoining that county may serve an area within a municipality. Also, current statute does not specify financing a water or sewer utility system.

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 would vary depending on the area to be served; however, it is assumed that a county and a municipality would act on the provisions of the bill only if such action were to be mutually beneficial fiscally as well as operationally.

**Source Agencies:**

**LBB Staff:** JOB, DB