

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 20, 2009

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

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

IN RE: HB1174 by Hartnett (Relating to payment by a municipality or river authority for certain damages caused by the municipality's or river authority's operation of a sanitary sewer system.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would authorize a municipality or a river authority to pay actual property damages caused by the backup of the municipality's or river authority's sanitary sewer system regardless of whether the municipality or river authority would otherwise be liable for the damages. Provisions of the bill would not waive governmental immunity from suit or liability.

Provisions of the bill would apply to damage caused by the backup of a sanitary sewer system on or after March 1, 2007.

The bill would take effect immediately if it was to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2009.

Local Government Impact

The fiscal impact to a municipality or river authority would depend on whether the entity decided to pay the property damages, how many persons or entities suffered property damages, and the cost of those property damages. A municipality or river authority would likely be willing to pay the property damages only if the costs could be absorbed within existing resources.

Source Agencies:

LBB Staff: JOB, DB