

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 3, 2009

**TO:** Honorable Garnet Coleman, Chair, House Committee on County Affairs

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

**IN RE: HB3265** by Rose (Relating to granting Hill Country counties regulatory authority and the authority to impose certain development fees; providing penalties.), **As Introduced**

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

The bill would amend Chapter 231, Local Government Code, by adding Subchapter M to authorize certain counties to by order adopt land development regulations in the unincorporated area of the county. The bill stipulates general regulations and procedures. Included in the procedures would be holding an election to approve regulatory authority; authority to appoint a development commission to assist in implementing and enforcing regulations; and imposing an infrastructure cost recovery fee, but only after an infrastructure development plan is prepared. The commissioners court of any of the affected counties would be required to hold a public hearing to consider the infrastructure improvements and infrastructure cost recovery fee, and would be required to post notice of the hearing and send written notice by certified mail to the owner of the new development for which a fee is proposed.

A violation of orders adopted to enforce development regulation would be a misdemeanor offense, punishable by a fine of not less than \$500 and not more than \$1,000.

An applicable county that imposes an infrastructure improvement cost recovery fee would be required to annually submit a written certification to the attorney general, verifying compliance with the subchapter. A county that fails to submit a certification would be liable to the state for a civil penalty in an amount equal to 10 percent of the amount of the fee assessed in that fiscal year. A penalty collected would be deposited to the Housing Trust Fund.

The Office of the Attorney General anticipates any additional work resulting from the passage of the bill could be reasonably absorbed with current resources.

#### Local Government Impact

The Comptroller of Public Accounts chose three of the applicable Hill Country counties for analysis purposes: Blanco, Hays, and Uvalde County. All three counties begin their fiscal year on October 1.

Blanco County estimates start-up expense of \$100,000. Annual expenditures for fiscal years 2010-2014 would be \$275,000 for salaries, \$150,000 for benefits, \$50,000 for operating costs, \$5,000 for furniture, and \$40,000 for equipment. Blanco County would create two positions with annual salaries of \$50,000 each and benefits of \$35,000. The estimated projected revenue for fiscal years 2010-2014 is \$10,000.

Hays County estimates start-up expense of \$310,000 for salaries, office equipment, a building, vehicles, and consultants. Hays County would have to hire a consulting firm to do a traffic study and infrastructure development plan. Additionally, the county may need the assistance of a special counsel to get all inter-local agreements in place prior to adoption. Hays County estimates a \$400 expense for county-wide notification of the development regulations. Annual expenditures for fiscal years 2010-2014 are estimated at \$640,000 for salaries, \$256,000 for benefits, \$30,000 for operating expenses,

\$50,000 for furnishings, and \$150,000 for consultants. Hays County would create up to four positions: program specialist (2) and administrative assistants (2). Annual salaries for these new positions are estimated at \$35,000-\$45,000 for the program specialist and \$24,000-\$28,000 for the administrative assistant. It is possible that the county could generate income from fees and/or costs assessed; however no figures were provided by the County Auditor's Office.

Uvalde County stated that expenses could be sizable if there was a need to hire an engineer for a road study. The County Auditor and County Judge did not provide a start-up expense but stated that it would be minimal. It is possible that the county could generate income from fees and/or costs assessed; however no figures were provided by the County Auditor or the County Judge.

The fiscal impact would vary by county.

**Source Agencies:** 302 Office of the Attorney General, 304 Comptroller of Public Accounts

**LBB Staff:** JOB, DB