

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 2, 2009**

**TO:** Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

**IN RE: SB1254** by Seliger (Relating to general law limits on the purpose and power of certain water districts.), **Committee Report 1st House, Substituted**

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

The bill would amend the Water Code to require certain water districts seeking to exercise powers of eminent domain of land, easement, or other property located more than five miles outside the district's boundaries, to take certain actions before exercising the powers of eminent domain: (1) notify owners of land a district wants to condemn at least two weeks in advance that a county commissioners hearing is scheduled regarding that condemnation; (2) receive approval from the county commissioners court in the county in which power of eminent domain is to be exercised; and (3) obtain from the Texas Commission on Environmental Quality (TCEQ) an order approving the district's application to exercise that power.

After a district receives approval from the county commissioners court, the district would be required to submit a written application for approval to exercise eminent domain to the Texas Commission on Environmental Quality (TCEQ) and to follow procedures determined by TCEQ. TCEQ would be required to publish notice and hold a public hearing regarding the application. TCEQ would also be required by rule to establish procedures for public notice and hearing of applications. The procedures must include provision of notice to elected state and local officials who represent residents of the district and of the property proposed for condemnation.

Provisions of the bill would apply only to an exercise of power of eminent domain by a district that has filed a condemnation petition on or after January 1, 2010. The bill would take effect September 1, 2009.

Based on information provided by TCEQ, it is assumed that any costs associated with implementation could be absorbed within existing resources.

**Local Government Impact**

The procedural requirements that would be imposed on a district and an affected county commissioners court under provisions of the bill are not anticipated on their own to have a significant fiscal impact on a district or the commissioners court. However, other fiscal implications would depend on the decision to approve or disapprove the requested use of the power of eminent domain, which could result in having a significant fiscal impact.

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

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