

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 13, 2011**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

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

**IN RE: HB725** by Callegari (Relating to the operation, powers, and duties of certain water districts.),  
**Committee Report 2nd House, Substituted**

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

The bill would amend the Health and Safety Code to exempt certain water districts from electricity consumption for the operation and maintenance of facilities or improvements for certain services provided an evaluation is performed every five years.

The bill would amend the Local Government Code to allow a municipal management district to impose an impact fee, assessment, tax or other requirement for payment for certain services including recreational services or improvements on single-family detached property. The bill clarifies the definition of a district and a project. A municipality would be authorized to enter into a contract with a water district for recreational facilities, roads and improvements in the aid of roads, and facilities to provide for firefighting services. A municipality would be required to pay for projects from municipal revenues, including sales and use taxes.

The bill would amend sections of the Water Code related to a water district's tax assessor and collector, meeting notices, and election requirements and processes. A tax assessor or collector employed or contracted by a water district would be required to be a registered Texas assessor-collector. A water district would be exempt from providing an electronic voting system under certain conditions, but would require an accessible voting station if it was requested. The bill would specify fees under certain activities related to storm water detention and retention facilities that would be exempt from restrictions associated with impact fees.

The bill would allow the board of a water district to include nonconstruction expenses related to the design, permitting, financing, and construction of facilities. A district that provides potable water or sewer service to household users would be authorized to either separately or jointly with another district, municipality, or other political subdivision, finance a fire department with ad valorem taxes, mandatory fees, or voluntary contributions.

A water district would be allowed to develop and maintain recreational facilities on a site acquired for relevant purposes, but would not be required to prorate the costs of the facilities if certain requirements were met. The bill would limit the ability of water districts in certain counties to finance parks and recreational facilities through ad valorem taxes. In order to establish property value in the district, a water district would be authorized to use an estimate of the value provided by the central appraisal district. A water district could dissolve a defined area after bonds issued for the area were fully paid or defeased.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to adopt any rules or amendments necessary to implement Section 49.4641 of the Water Code by December 1, 2011.

The bill would repeal Section 49.103(g) of the Water Code.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

### **Source Agencies:**

**LBB Staff:** JOB, SZ, TP