

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 19, 2011

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

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

IN RE: SB1234 by West (Relating to municipal management districts.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Local Government Code regarding rules and regulations governing municipal management districts. The bill would expand the definition of a disadvantaged business to include any person certified as a disadvantaged business by the State or a political subdivision of the State.

The bill would modify certain procedures to coincide with the Water Code, including notice of a hearing; granting of petitions; annexation practices; taxes for bonds; and competitive bidding.

The bill would specify powers of a district for a road project and a mass transit system. Any act made by a district would be presumed valid after the third anniversary of the effective date unless deemed invalid by a court. A district would not be required to submit bonds that are not public securities to the attorney general for review. A municipality would be authorized to dissolve a district even if the district has outstanding bond indebtedness. A district would be authorized to enter into a strategic partnership agreement with a municipality if the district has territory in the extraterritorial jurisdiction of the municipality.

The bill would repeal Sections 375.021, 375.024, 375.027, and 375.064(f) of the Local Government Code.

The Texas Commission on Environmental Quality reported the fiscal impact associated with the provisions of the bill are not anticipated to be significant.

Local Government Impact

There could be a fiscal impact to a district or a municipality associated with the provisions, but the amounts would vary depending on current procedures and the number of strategic partnerships a district entered into with a municipality.

The Memorial City District reported that any costs associated with the bill could be absorbed within the district's existing resources.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, KKR, TP