

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 28, 2013

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB168 by Callegari (Relating to the operation, powers, and duties of certain water districts; providing clarification of existing authority with regard to the imposition or use of certain assessments, fees, or taxes; providing authority to change a fee or repeal a tax.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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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 relating to a municipal management district's authority to impose fees for payment of certain services. A municipality could enter into a contract with a water district and could pay for projects from municipal revenues and taxes.

The bill would amend the Water Code relating to a water district's tax assessor and collector; meeting notices; election requirements and processes; fee exemptions; allowable expenses; and financing for certain facilities, including a fire department. A water district could dissolve a defined area after bonds issued for the area were fully paid or defeased.

The bill would increase the contract amount for which a district would be required to advertise and publish notice from \$50,000 to \$75,000; the current statute amount is over \$50,000. The bill also would increase the amount that a district would be required to solicit bids from \$50,000 to \$75,000; the current statute amount is over \$25,000, but not more than \$50,000.

The bill would authorize a district to establish, maintain, and operate a fire department either separately or jointly with another district, municipality, or other political subdivision. The bill also specifies requirements for bond and ad valorem taxes, fire-fighting contracts, fire plans, and elections to approve fire plans and approve bonds.

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, 2014.

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

According to TCEQ, the provisions of the bill would not require significant changes to agency operations, policies, or procedures; and is not anticipated to have a significant fiscal impact.

According to the Texas State Soil and Water Conservation Board, no significant fiscal impact is anticipated.

Local Government Impact

There could be a fiscal impact to a water district or a municipality related to reporting and bidding requirements; however, the amounts would vary depending on current procedures and are not anticipated to be significant.

According to the Northeast Texas Municipal Water District, there would be a modest savings of \$3,500 for electronic reporting; additional time to file audits; and the change in bid thresholds.

According to the Canadian River Municipal Water Authority, no fiscal impact is anticipated.

Source Agencies: 352 Bond Review Board, 580 Water Development Board, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board

LBB Staff: UP, SZ, TP