

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 12, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1324** by Davis, John (Relating to exclusion of land from certain water districts that fail to provide service to the land; clarifying and limiting the authority of those districts with outstanding bonds payable from ad valorem taxes to impose taxes on excluded land.),  
**Committee Report 1st House, Substituted**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Water Code to specify procedures for excluding land from certain water districts that fail to provide service to the land, including requirements for tax liability and outstanding bonds. The bill would increase the total acreage from 5,000 to 10,000 that the board of a district would be required to call a hearing on an exclusion of land; and would reduce the number of years from 28 to 20 in which land has been included in and taxable by a district. Section 49.3076 would not apply to a district who supplies raw water wholesale; and has fewer than 500 retail customers.

The bill would repeal Section 49.3076 (a-1) of the Water Code.

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

**Local Government Impact**

According to the Colorado River Municipal Water District, the San Antonio River Authority, and the Northeast Texas Municipal Water District (NETMWD), no fiscal impact is anticipated. The NETMWD added that retail systems with little infrastructure in the affected area will likely only be affected in minor ways while systems closest to urban areas that have installed pipes and delivery systems in anticipation of densely populated areas emerging, may experience a greater impact.

**Source Agencies:** 592 Soil and Water Conservation Board

**LBB Staff:** UP, SZ, TP