

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 6, 2017

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1838** by Hughes (Relating to the applicability of certain laws to open-enrollment charter schools.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require municipalities to consider open-enrollment charter schools as school districts for purposes of zoning and permitting, and open-enrollment charter schools would be treated the same as other school districts with regard to payment of impact fees for new development in municipalities.

The bill would take effect September 1, 2017, or immediately if passed with the necessary voting margins, and would apply beginning with school year 2018-19.

Local Government Impact

According to the Texas Municipal League, local impact fees are assessed on property to recover the costs that the development will have on infrastructure. The fiscal impact would vary depending on the amount of property involved and the number of charter schools that are built in the future. However, the fiscal impact to municipalities is not anticipated to be significant.

Charter schools may need to retain additional legal counsel for purposes of potential liability and suit. Additionally, they may have additional costs relating to code compliance, administrative needs, and unforeseen complications with facility acquisition/management.

Source Agencies: 701 Texas Education Agency

LBB Staff: UP, THo, AM, SL