

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 15, 2019

TO: Honorable Tom Craddick, Chair, House Committee on Land & Resource Management

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB3821 by Goodwin (Relating to annexation by certain municipalities of a special district under a strategic partnership agreement.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend the Local Government Code to place certain requirements on a municipality that operates a municipally owned water utility and uses revenue from the utility partly for general municipal purposes or other purposes not related to the water utility.

Local Government Impact

According to the Northeast Texas Municipal Water District, the district does not anticipate any financial impact on water districts as a result of the bill . While the agreements that the bill would address do have impacts to both cities and districts, those impacts are unique to the exact agreement and are not a product of the law itself.

According to the Texas Municipal League (TML), the bill would have an indeterminate but significant fiscal implication to units of local government. TML estimates that the framework for annexation following passage of the bill would reduce the ability of municipalities to annex areas surrounding their boundaries.

Source Agencies:

LBB Staff: WP, SZ, SD, GP