

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 26, 2019

TO: Honorable Lyle Larson, Chair, House Committee on Natural Resources

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

IN RE: **HB4114** by Bell, Cecil (Relating to the provision of water and sewer services by a municipality.), **Committee Report 1st House, Substituted**

<p>No fiscal implication to the State is anticipated.</p>
--

The bill would amend the Local Government Code to authorize a municipality or municipally owned utility to recover capital costs from a non-profit entity or government entity related to the purchase of water or wastewater capacity. The bill would prohibit a municipality or a municipally owned utility from establishing certain rates applicable only to non-profit or tax exempt entities.

Local Government Impact

The effect of this bill on municipalities or municipally owned utilities cannot be determined at this time. The bill could reduce revenues in local jurisdictions that have established differential utility rates that apply to non-profit and tax exempt institutions; this loss could be offset by provisions of the bill authorizing recovery of capital costs.

Source Agencies:

LBB Staff: WP, GP, SZ, SD