

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 25, 2019

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

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

IN RE: SB1468 by Campbell (Relating to annexation by certain municipalities of a special district under a strategic partnership agreement.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to regulate certain full purpose annexations of municipal utility districts by municipalities that operate a municipally owned water utility and are party to a strategic partnership agreement.

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. Current law already imposes financial costs to complete annexation transactions. The bill would likely make that process somewhat more robust, complex, and challenging but does not significantly change the fiscal impact of annexations.

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, AF, SD, GP, SZ