

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 22, 2003

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB895 by Geren (Relating to the establishment of a program to provide grants to make voluntary purchases of development rights in real property.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would create the Texas Legacy Council, which would consist of 11 members, nine who would be appointed by the Governor and two ex-officio members. The nine appointed members would not receive compensation, but they would be entitled to reimbursement of travel expenses incurred while conducting council business as provided in the General Appropriations Act.

The bill would create a new General Revenue-Dedicated Account within the General Revenue Fund, Purchase of Development Rights, which would consist of money transferred to the account at the direction of the Legislature; public or private gifts, grants, donations, or contributions; and money from other sources including mitigation, remediation, and bond proceeds. Funds in the account could be used only for the purposes of the program. The bill would limit the amount the council could use for administration to no more than 5 percent of the money in the account.

The program would provide grants to be used for the purchase of developmental rights, defined as a conservation easement. The council would adopt rules in consultation with the Texas Department of Agriculture, which would assist the council in its duties. The bill would limit a grant to 50 percent of the project costs, and it would require the prospective purchaser to obtain the remaining funds, which could include donations from the landowner.

The bill would require the value of a purchase of development rights to be determined by a site-specific appraisal prepared by an appraiser licensed or certified by the Texas Appraiser Licensing and Certification Board. The bill would prohibit the council from acquiring land or the development rights by eminent domain. The bill would require the council to report to the Legislature every two years on its progress. The bill would take effect September 1, 2003.

Assuming that the average cost to purchase an agriculture easement would be \$100,000 and five were purchased annually, with the maximum 50 percent state match, the cost would be \$250,000. In addition, administrative costs, not to exceed 5 percent would equal \$12,500 for a total of \$262,500. Assuming no other source of funding other than General Revenue, this amount would be appropriated to the Purchase of Development Rights Account.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. The extent to which a governmental entity is affected would depend on the level of participation by each entity.

Source Agencies: 304 Comptroller of Public Accounts, 356 Texas Ethics Commission, 452 Department of Licensing and Regulation, 464 Board of Professional Land Surveying, 551 Department of Agriculture, 554 Animal Health Commission, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 802 Parks and Wildlife Department, ALC Texas Appraiser Licensing and Certification Board

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