

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 25, 2003

TO: Honorable Bill Ratliff, Chair, Senate Committee on State Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: **SB1708** by Wentworth (Relating to the repurchase of real property acquired by a governmental entity through eminent domain.), **Committee Report 1st House, As Amended**

No significant fiscal implication to the State is anticipated.

The bill would amend the Property Code to require a governmental entity that obtained real property through eminent domain for a public use that was no longer used for that purpose to make a diligent effort to notify the last owner of the property or the owners' heirs prior to the resale of the property. The bill would require that the governmental entity offer to sell the property to the former owner or heirs for the lesser of the fair market value or the purchase price paid to the former owner if the original owner or heirs were found within a year. The bill would only apply to real property acquired on or after January 1, 1980.

Based on the analysis of Building and Procurement Commission, the General Land Office, the Railroad Commission, the Department of Agriculture, the Texas Commission on Environmental Quality, the Texas Central Education Agency, and the Texas Department of Transportation (TxDOT), it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. It is assumed that relevant funds could realize a loss from selling real property obtained through the eminent domain process if the property is sold for less than a fair market value within a year. TxDOT estimates a possible loss of up to \$1 million each year due to the provisions of the bill.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2003.

Local Government Impact

It is assumed that local government entities would absorb costs associated with making a diligent effort to notify the last owner of the property or the owners' heirs prior to the resale of the property within a year. It is also assumed that local entities could realize a loss from selling real property obtained through the eminent domain process if the property is sold for less than a fair market value within a year.

Source Agencies: 303 Building and Procurement Commission, 305 General Land Office and Veterans' Land Board, 455 Railroad Commission, 551 Department of Agriculture, 582 Commission on Environmental Quality, 601 Department of Transportation, 701 Central Education Agency

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