

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 12, 2005

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB628 by Lucio (Relating to an urban land bank program in certain municipalities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code as it relates to the urban land bank demonstration program by changing which home-rule municipalities the program would apply and changing the name of the program to urban land bank program. The bill would take effect September 1, 2005.

Under current statute, the urban land bank demonstration program applies only to the City of Dallas (home-rule municipality with a population of 1.18 million or more and that is located predominantly in a county that has an area of less than 1,000 square miles). The proposed changes in applicability criteria would change the population requirement to 125,000 or more, would remove the home-rule requirement, and would remove the area square milage requirement, which would result in another 16 cities that would be eligible.

Local Government Impact

The cities of Houston and Austin are the only affected cities that responded to the Legislative Budget Board's request for fiscal impact information.

The City of Houston (population 1.9 million) reports that the administrative and related costs of implementing provisions of the bill would be \$100,000 per year for two new staff. The city estimates it would experience revenue gains of \$34,000 in fiscal year 2007, \$105,000 in fiscal year 2008, \$237,000 in fiscal year 2009, and \$383,000 in fiscal year 2010 from new property tax income.

The City of Austin (population 656,662) reports that passage of the bill would have no fiscal impact on the city.

It is assumed that the fiscal impact to cities that would choose to establish an urban land bank program would vary, but that the fiscal impact would be insignificant.

Source Agencies:

LBB Staff: JOB, DLBa