

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 21, 2005

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

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

IN RE: SB1647 by Staples (Relating to regulatory takings.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would expand the applicability and remedies of the Texas Private Real Property Rights Preservation Act ("Act"), Chapter 2007 of the Texas Local Government Code, relating to a statutory "taking" cause of action and would impose additional requirements on government actions that adversely affect private real property rights.

Implementation of the legislation could result in new complaints, investigations and cases by the Office of the Attorney General, however it is projected that any increase could be absorbed by current resources.

Local Government Impact

Costs to local governments to implement the provisions of the bill would vary. There would be costs associated with preparing the takings assessments and certifying that all actions meet the requirements established by the attorney general. Additionally, if a private real property owner brings suit, a local government would have to bear the costs of legal fees.

The city of Castle Hills reported that advertising, impact assessments, and legal fees would cost approximately \$12,000 per year, as long as an affected owner did not file suit. Going to court would result in additional expenditures for lawyers, expert testimony, professional impact assessors, and other costs.

The city of Cedar Park reports that the provisions of the bill would require them to perform 20 extra assessments per year ranging in cost from \$3,500 to \$5,000. Advertising would be an additional \$450 per assessment. This would result in approximately \$79,000 to \$109,000 per fiscal year in additional expenditures for the city.

The city of Midlothian reports that in order to implement the provisions of the bill, an outside consultant for impact assessments would have to be hired at a cost of \$30,000 to \$50,000 per year. Advertising costs would be an additional \$3,000 to \$5,000 per year.

Source Agencies: 302 Office of the Attorney General

LBB Staff: JOB, KJG, WK, MS