

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: SB1722 by Gallegos (Relating to urban land bank demonstration programs.), **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. In addition, the bill would change the definition for low income household and add a definition for middle income household and moderate income household, as well as make adjustments to requirements and operations of the 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 change in applicability criteria would add the cities of San Antonio and Houston.

Local Government Impact

The City of Houston is the only affected city 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.

Source Agencies: 332 Department of Housing and Community Affairs

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