

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**February 20, 2007**

**TO:** Honorable Anna Mowery, Chair, House Committee on Land & Resource Management

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

**IN RE: HB217** by Jackson, Jim (Relating to a landowner's repurchase of real property previously acquired by a governmental entity through eminent domain.), **As Introduced**

The fiscal impact to the state would depend on the number of properties to which the bill would apply and the number of eligible persons who would seek to repurchase land previously acquired by the state through eminent domain.

The bill would amend the Property Code to require governmental entities to notify landowners whose property was acquired by the entity through eminent domain of their right to repurchase real property if the property is not used for the purpose for which it was condemned. The sale price would be the original price that was paid when the property was condemned. The bill would require governmental entities to provide progress reports every five years for 20 years informing the previous owner what progress has been made on use of the parcel of land.

The bill would provide a judicial remedy, after 20 years following the acquisition of the property by eminent domain, for a property owner or successors to require the governmental entity to sell them the property unless the governmental entity can prove that the property is still necessary for the original public use for which the property was acquired by eminent domain. Attorney's fees would be recoverable if the plaintiff is successful in requiring the governmental entity to sell the property.

Also, the bill would repeal the provision of current law that exempts rights of way from the requirement to resell property that is no longer needed for a public purpose.

The fiscal impact to the state would depend on the number of properties to which the bill would apply and the number of eligible persons who would seek to repurchase land previously acquired by the state through eminent domain. The state would incur costs for tracking the land and notifying previous owners of the status, as well as court costs and attorneys fees if the state was unsuccessful in a judicial action.

**Local Government Impact**

Several local government entities and associations were contacted regarding the fiscal impact to local government. As with the state impact, the local government fiscal impact would vary depending on the number of properties to which the bill would apply and the number of eligible persons who would seek to repurchase land previously acquired by the the local entity through eminent domain. Actual amounts are not known, but as an example, Harris County reports having condemned 460 parcels at an aggregate market value of \$108 million between calendar years 2002 and 2006.

In addition, local governments would incur costs for tracking the land and notifying previous owners of the status, as well as court costs and attorneys fees if the local government was unsuccessful in a judicial action. Harris County estimates associated costs for tracking and sending notices would include compensation for a full-time employee (\$41,667 the first fiscal year) and initial capital outlay of \$150,000 for developing a database application. Bexar County estimates the need for an additional full-time employee, a civil engineer at an annual cost of \$76,661, to track the progress of five eminent domain acquisitions done each year.

**Source Agencies:** 305 General Land Office and Veterans' Land Board, 601 Department of Transportation

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