

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 11, 2007

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

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

IN RE: HB1626 by Brown, Betty (Relating to assessment of damages in a condemnation proceeding.), **As Introduced**

The amount of additional costs and overall negative fiscal impact to a condemnor under the provisions of the bill would vary by condemnor and by case, and therefore cannot be estimated.

The bill would amend Property Code, Section 21.042, relating to the assessment of damages in a condemnation proceeding. The bill would specify that if the property owner seeks an award for damage caused by the condemnation to owner's remaining property, the total amount awarded for damages to the property condemned and the remaining property would be based on the difference in the local market value of the entire property immediately before the condemnation and the local market value of the remaining property immediately after the condemnation, considering any benefit or injury that the construction or operation of the condemnor's project has on the market value of the remaining property. The bill would require the special commissioners, in a case of the condemnation of a portion of a tract or parcel of real property by or for the Texas Department of Transportation (TxDOT) for a state or federal highway, to consider all factors considered in the marketplace that may affect the property's market value as specified by the bill. The bill would also provide that if property condemned is owned by a public entity or by a non-profit entity and the property is devoted to and needed to perform a public function or to provide a non-profit educational, charitable, or eleemosynary service, the damage award may not be less than the financial cost of replacing the property.

Based on the analysis of TxDOT, it is assumed the provisions of the bill would result in increased costs for the acquisition of highway right of way through condemnation. Because the market factors considered in evaluating the market value of the property to be condemned and any remaining property would vary by case, any additional costs or negative fiscal implications to the state cannot be determined.

Local Government Impact

The amount of additional costs and overall negative fiscal impact to a condemnor under the provisions of the bill would vary by condemnor and by case, and therefore cannot be estimated.

Source Agencies: 601 Department of Transportation

LBB Staff: JOB, WK, MW, TG