

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB1742 by Giddings (Relating to urban land bank demonstration programs.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Health and Safety Code to exclude urban land banks as responsible parties for enforcement actions or remediation costs for contaminants if contaminants appear to originate from an up-gradient source; if contaminants appear to have been present before the land bank purchased the site; and if the land bank could not have reasonably known about the contaminants at the time of purchase. The bill would amend the Local Government Code to prohibit the Texas Commission on Environmental Quality (TCEQ) from naming a land bank as a responsible party, under the conditions above, from which to seek reimbursement of remediation costs or imposition of enforcement actions. The bill would amend the Tax Code to allow the act of acquiring, holding, and transferring unimproved real property under an urban land bank demonstration program to be included in the list of acceptable charitable functions that a charitable organization must perform.

Based on information provided by the Texas Department of Housing and Community Affairs and TCEQ, it is assumed that costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect September 1, 2007.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 332 Department of Housing and Community Affairs, 582 Commission on Environmental Quality

LBB Staff: JOB, DB, WK, AH, KJG