

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 20, 2007

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

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

IN RE: HB2894 by Garcia (Relating to the authority of an owner of adjacent land to restore certain state land that has been affected by coastal erosion and purchase the restored land.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would allow property owners of bay front coastal property that was privately owned in 1955 as reflected in a residential subdivision plat of lots of 1 acre or less to restore such properties to their original boundaries. Such property owners would be granted a preference right to purchase the restored property at the property's market value prior to restoration. The measure would allow owners to build bulkheads on such tracts. According to the General Land Office, the bill could result in cases in which private property owners who have experienced coastal erosion could restore their lots to the original boundaries and then purchase those Permanent School Fund (PSF) tracts for the property's market value prior to restoration. This could increase revenues to the PSF; however, the increase would depend on the number of property owners exercising the option afforded by the bill. The increase in revenues to the PSF is not expected to be significant.

Local Government Impact

Local governments could experience a positive benefit if landowners in their jurisdictions were to increase the size of their lots, since the market value and assessed value of such lots would be expected to increase. However, any revenue increase would depend on the number of owners exercising the option afforded by the bill. In most cases, the increase is not expected to be significant.

Source Agencies: 305 General Land Office and Veterans' Land Board

LBB Staff: JOB, WK, ZS, TL