

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

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

**April 18, 2007**

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

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

**IN RE: SB986** by Lucio (Relating to an urban land bank program in certain municipalities. ),  
**Committee Report 1st House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would add Chapter 379E to Subtitle A, Title 12, Local Government Code, to create the Urban Land Bank Program Act, which would apply only to a municipality to which Chapter 379C and 379D do not apply and that has never adopted a homestead land bank program under Subchapter E, Chapter 373A. The governing body of a municipality would be authorized to adopt an urban land bank demonstration program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale for purposes of affordable housing development as provided by the chapter. The governing body of a municipality that adopts an urban land bank demonstration program would be required to establish or approve a land bank for the purpose of acquiring, holding, and transferring unimproved real property under this chapter. Requirements for establishing and operating the land bank program are included in the bill.

The bill would amend the Tax Code to stipulate that real property acquired, held, and transferred by a qualified charitable organization serving as or on behalf of a land bank would be tax exempt.

The bill would take effect September 1, 2007.

**Local Government Impact**

The fiscal impact would vary by municipality, depending on whether the municipality chooses to establish an urban land bank demonstration program and the amount and value of property involved.

**Source Agencies:**

**LBB Staff:** JOB, DB