

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

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

**April 30, 2007**

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

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

**IN RE: SB1444** by Gallegos (Relating to the receivership and rehabilitation of certain property.),  
**Committee Report 1st House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Local Government Code relating to the authority of a home-rule municipality to bring an action in district court against an owner of property that is not in substantial compliance with certain municipal ordinances. Under current statute, a home-rule municipality has this authority regarding residential property; whereas, the proposed change would broaden the authority to property in general.

The bill would authorize a nonprofit organization appointed by a home-rule municipality as a receiver for property for which the municipality has brought an action for noncompliance of certain ordinances to claim a receivership fee as a part of the expenses and costs incurred in rehabilitating the property when providing an accounting to the district court. The receivership fee would be 10 percent of all costs and expenses incurred, including reasonable costs for labor and supervision.

The bill would also make changes to timelines applied to termination of receivership.

The proposed changes in law would apply only to a receivership established on or after the effective date of the bill. The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JOB, DB