

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 9, 2009**

**TO:** Honorable Yvonne Davis, Chair, House Committee on Urban Affairs

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

**IN RE: HB37** by Corte (Relating to certain municipal development programs involving areas having characteristics of blight or a slum.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Local Government Code as it relates to procedures for a municipality to exercise the powers of eminent domain for creating a community development program. The bill would prohibit a municipality from exercising the powers of eminent domain to acquire property for a community development program unless the condition of the property is an immediate threat to public health and safety. The proposed changes in statute would apply only to taking of property for which a condemnation petition is filed on or after the effective date of the bill.

**Local Government Impact**

The changes in procedures for determining if a property meets the definition of blight or slum or for holding an election would have no significant fiscal implications on municipalities. The fiscal implications of prohibiting the use of eminent domain would depend on what future properties a municipality may have otherwise acquired, what costs would have been involved, what property taxes may have been affected, and what potential revenues otherwise may have been gained.

**Source Agencies:**

**LBB Staff:** JOB, DB