

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

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

**March 24, 2009**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Land & Resource Management

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

**IN RE: HB1385** by Davis, Yvonne (Relating to the assessment of damages to a property owner from condemnation.), **As Introduced**

**No direct fiscal implication to the State is anticipated; however, if the special commissioners in a condemnation hearing find, based on the evidence allowed under provisions of the bill, that the state is liable for costs not previously considered, the state could incur an unknown additional cost associated with exercising the powers of eminent domain.**

The bill would amend the Property Code to require the special commissioners when assessing actual damages and for estimating injury or benefit to a property owner from a condemnation to admit evidence regarding the impact the condemnation would have on the property owner's standard of living if the owner has to move or move their farm as a result of the condemnation. The proposed change in statute would apply only to a condemnation proceeding in which the petition is filed 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, 2009.

Although the requirements for the special commissioners to take the issues addressed in the bill into consideration would in and of itself have no direct fiscal implication to the state or to units of local government, a decision by the special commissioners that the government entity exercising eminent domain must compensate the property owner to restore the property owner's standard of living to the level that existed prior to the taking, could result in additional and possibly significant costs to the government entity. Those costs would depend on the number of property owners involved and the costs involved in restoring the standard of living.

**Local Government Impact**

No direct fiscal implication to units of local government is anticipated; however, if the special commissioners in a condemnation hearing find, based on the evidence allowed under provisions of the bill, that the local government entity is liable for costs not previously considered, the entity could incur an unknown additional cost associated with exercising the powers of eminent domain.

**Source Agencies:**

**LBB Staff:** JOB, WK, SD, DB