

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 14, 2009

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

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

IN RE: HB1389 by Davis, Yvonne (Relating to the acquisition of real property for public use.), **As Introduced**

The amount of additional costs and overall negative fiscal impact to a condemner under the provisions of the bill would vary by condemner and by case, and therefore the fiscal impact to the state cannot be estimated.

The bill would amend the Local Government Code regarding procedures a municipality must follow when identifying property as having the characteristics of blight and before exercising powers of eminent domain.

The bill would amend the Property Code to require a department, agency, instrumentality, or political subdivision of this state to provide a relocation advisory service for an individual, family, business concern, farming or ranching operation, or nonprofit organization being displaced by the exercising of powers of eminent domain. This state or a political subdivision of this state would be required to pay moving expenses and rental supplements, make relocation payments, provide financial assistance to acquire replacement housing, and compensate for expenses incidental to the transfer of the property if an individual, family, business concern, farming or ranching operation, or nonprofit organization would be displaced in connection with acquisition of property. Under current statute, payment of these costs by the state or political subdivisions acquiring the property is optional.

According to the Texas Department of Transportation (TxDOT), under federal guidelines under the Uniform Relocation Assistance Act, TxDOT currently assists with the costs of relocation. However, because the factors considered in evaluating the financial or economic damages to the owner of the property to be condemned would vary by case, any additional costs or negative fiscal implications to the state cannot be determined.

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.

Local Government Impact

The negative fiscal impact to a political subdivision would vary depending on the number of property acquisitions for which the additionally listed costs would be required, and therefore cannot be determined; however, it could be significant.

Source Agencies: 601 Department of Transportation

LBB Staff: JOB, DB, MW