

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

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

**May 7, 2009**

**TO:** Honorable Joe Deshotel, Chair, House Committee on Business & Industry

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

**IN RE: SB1449** by West (Relating to the appointment of a receiver to remedy hazardous properties. ), **Committee Report 2nd House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
---

The bill would add Section 214.0031 to Subchapter A, Chapter 214, Local Government Code, to authorize a municipality or an eligible nonprofit housing organization to bring an action in district court against an owner of property that is not in substantial compliance with one or more of certain municipal ordinances. A home-rule municipality would be authorized to annually certify one or more nonprofit housing organizations to bring an action under Section 214.0031.

Provisions of the bill include procedures to be followed, including court procedures. If a court were to order a property sold to a land bank or at a public auction, the court would be required to confirm the sale and order distribution of the proceeds to pay court costs; costs and expenses, plus a receivership fee, and any lien held by the receiver; and other valid liens. Any remaining amount would be required to be paid to the owner of the sold property. If the owner cannot be identified or located, the court would be required to order the remaining amount to be deposited in an interest-bearing account with the district clerk's office in the court in which the action is pending. The district clerk would be required to hold the funds as provided by other law.

**Local Government Impact**

The fiscal impact to a municipality and a district court would depend on the number of applicable actions taken and the outcome of each.

**Source Agencies:**

**LBB Staff:** JOB, JRO, DB