

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 23, 2009

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

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

IN RE: SB1670 by Nichols (Relating to the transfer of certain state property from the Texas Department of Transportation to Polk County.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Department of Transportation (TxDOT) to transfer to Polk County certain real property. Polk County would be required to pay an amount to reimburse TxDOT for the department's actual costs to acquire the property provided that the county uses the property only for a purpose that benefits the public interest of the state. If Polk County uses the property for a purpose that does not benefit the public interest of the state, the county would be required to pay TxDOT an amount equal to the fair market value of the property on the date the county begins using the property for a purpose that does not benefit the public interest. Money received from the transfer would be required to be deposited into the State Highway Fund and to be used in the TxDOT district in which the property is located.

TxDOT would retain custody of the instrument of transfer after it is filed in the real property records of Polk County. The county would be required to pay any transaction fees resulting from the transfer of property.

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.

TxDOT reports that the 10.549 acres of land described in the bill was originally acquired for \$13,773, with Polk County contributing 10 percent of the cost; therefore, the net cost to the state was \$12,396. According to the TxDOT Lufkin District's estimate, the current market value of the land is between \$600,000 and \$815,000. Therefore, if Polk County were to use the land to benefit the public interest, the state would receive \$12,396 for deposit into the State Highway Fund; otherwise, the county would be required to pay between \$600,000 and \$815,000.

Local Government Impact

The fiscal impact to Polk County is described above.

Source Agencies: 601 Department of Transportation

LBB Staff: JOB, KJG, MW, DB