

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 11, 2011

TO: Honorable Harold V. Dutton Jr., Chair, House Committee on Urban Affairs

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

IN RE: HB782 by Davis, Yvonne (Relating to a requirement that certain bond issuers obtain an appraisal of property that is to be purchased with bond proceeds.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would require that a municipality and a Type B corporation obtain an independent appraisal of a property's market value prior to issuing bonds that would be used wholly or partly to purchase the property.

Local Government Impact

A municipality or a Type B corporation that does not currently conduct independent appraisals prior to purchasing property could experience a negative fiscal impact; however, it would vary depending on the number of properties purchased. It is assumed that a municipality or a Type B corporation would only purchase property that would require an independent appraisal if sufficient funds were available.

According to a sampling of cities that provided information to the Texas Municipal League, most reported there would not be a fiscal impact because property appraisals are currently conducted prior to purchasing property.

Source Agencies:

LBB Staff: JOB, KKR, TP