

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 1, 2015

TO: Honorable René Oliveira, Chair, House Committee on Business & Industry

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB479 by Schwertner (Relating to establishing actual progress for the purposes of determining the right to repurchase real property from a condemning entity.), **As Engrossed**

Raising the number of actions to complete, while reducing the number of available actions, makes it more difficult for a condemning entity to ensure that actual progress has taken place. This could increase the costs the entity will need to expend to guaranty actual progress and also may result in more property repurchases. It cannot be estimated whether the repurchase price will cover the original purchase price and the costs incurred by the condemning entity in negotiating the repurchase agreement. Therefore, the fiscal impact of the bill cannot be determined at this time.

A person from whom a real property interest is acquired by an entity through eminent domain, or that person's heirs, is entitled to repurchase the property if the condemning entity has made no actual progress toward the public use for which the property was acquired before the tenth anniversary of the date of acquisition.

The bill would increase from two to three the number of actions a condemning entity, other than a port authority or a navigation district, must complete in order to demonstrate making actual progress towards the public use for which the property was acquired. The bill would not change the number of actions that a port authority or navigation district would need to complete.

The bill would reduce the number of available actions in Property Code, Subsection 21.101(b) from seven to five. The bill would eliminate as an available action for all condemning entities the acquisition of an adjacent property and would eliminate as an available action for condemning entities other than port authorities or navigation districts the adoption of a development plan by the governing body of the condemning entity indicating that the entity will not complete more than one action before the tenth anniversary of the date of acquisition of the property.

The bill would add Property Code, Subsection 21.101(b-1), which would define actual progress for a navigation district or port authority to mean completion of one action described by Property Code, Subsection 21.101(b) and the adoption of a development plan by the governing body of the condemning entity indicating that the entity will not complete more than one action before the tenth anniversary of the date of acquisition of the property.

Local Government Impact

There would be a fiscal impact to local entities; however the amount cannot be determined. The fiscal impact to a local entity would vary depending on the amount of land eligible for repurchase under the provisions of the bill and the number of individuals seeking to repurchase such land.

Source Agencies:

LBB Staff: UP, CL, AG, JJ, BRi, EK