

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 11, 2017

TO: Honorable Abel Herrero, Chair, House Committee on Land & Resource Management

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2694 by Kacal (Relating to requirements for a bona fide offer for the acquisition of property by an entity with eminent domain authority.), **As Introduced**

There is an indeterminate fiscal impact to the state from the provisions of the bill due to the case by case nature of the requirements on future condemnation proceedings.

The bill would amend the Property Code related to certain eminent domain actions. It would also establish certain procedures relating to eminent domain for pipeline and electrical easements.

It is anticipated the bill could prevent the Department of Transportation from selling property no longer needed for a transportation purpose at some future point. As a result, any additional costs or negative fiscal implications to the state cannot be determined.

In addition, provisions of the bill require the waiving the sovereign immunity of the state as well as potentially require the Department of Transportation to acquire insurance on all remainder properties for the lifetime of the highway rather than the current practice of the agency to self-insure.

According to the Railroad Commission, no fiscal implication to the state is anticipated.

The bill would take effect September 1, 2017.

Local Government Impact

According to the Texas Municipal League, the negative fiscal impact to a political subdivision relating to the acquisition and compensation for real property could be significant, but would vary depending on the number of property acquisitions for which the additionally listed costs would be required, and therefore cannot be determined.

According to the Texas Association of Counties, the fiscal impact on counties that condemn and acquire properties could be significant. However, it is impossible to determine how many properties would be acquired through the condemnation process and the value of those properties. In addition, it is also impossible to know how many properties acquired through the condemnation process that would have to be acquired through another process in the future. Therefore, it is not possible to quantify the extent of the fiscal impact on counties.

Source Agencies: 455 Railroad Commission, 601 Department of Transportation, 103

Legislative Council, 304 Comptroller of Public Accounts, 305 General
Land Office and Veterans' Land Board, 710 Texas A&M University
System Administrative and General Offices, 720 The University of Texas
System Administration, 802 Parks and Wildlife Department

LBB Staff: UP, AG, GG, GP, BM, SZ, JI