

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 2, 2017

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB626 by Schwertner (Relating to the acquisition of certain real property in conjunction with the acquisition of real property for a public use through eminent domain procedures.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code and the Property Code to require entities with the power of eminent domain to provide a condemnee landowner with additional information prior to the filing of certain condemnation actions. Specifically, the proposed law would require that, in the event that a condemnor seeks to acquire property both subject to eminent domain (because it is used for a public purpose) and not subject to eminent domain (because it is not for a public purpose), that the condemnor provide to the condemnee separate offers to purchase the property pre-filing. The separate offer for property not subject to acquisition by eminent domain would have to specify that that portion of the property was not subject to condemnation.

According to the Office of the Attorney General, any increase in case load and resultant fiscal impact on the agency resulting from the passage of this could be absorbed within current resources.

According to the Department of Transportation, the bill is not anticipated to have a substantial negative impact. The bill will require, that should the agency make an offer on a remainder tract, such offer would need to be separate from the offer on the property subject to condemnation. The agency would incur additional administrative expenses for acquisition of property that is not reasonably necessary to complete the public use, however, very few non-public use parcels are acquired and the expenses are anticipated to be minimal.

This bill would take effect September 1, 2017.

Local Government Impact

According to the Texas Municipal League, the bill would increase the cost of condemning property for public works. While the amount of the increase cannot be determined and will vary from city to city these costs are anticipated to be significant.

According to the Texas Association of Counties, the bill could have a significant fiscal impact on counties.

Source Agencies: 302 Office of the Attorney General, 601 Department of Transportation
LBB Staff: UP, AG, GG, GP, BM