

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 2, 2019

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB834 by Hernandez (Relating to the authority of a county to adopt a land bank program.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to authorize counties to adopt a Land Bank program and specifies certain provisions related to the operation of these programs.

According to the Department of Housing and Community Affairs, no fiscal implication to the State is anticipated.

Local Government Impact

According to Harris County, the bill would not have an immediate significant fiscal impact to county expenses as the program could be operated with existing resources. The bill could generate expense savings over time due to reducing costs for administration and collections efforts.

The County estimates that the bill could have a favorable revenue outcome by turning non-performing taxable properties into performing taxable properties. This potential increase in revenue would depend on the length of time to place properties back on tax rolls in an unimproved state and the value of improvements then placed on the now vacant land.

The County has identified 220 lots having qualifying conditions. The County estimates a potential annual increase in revenue and decrease in expenses of \$445,812 per year from placing these lots into a Land Bank assuming construction of \$300,000 in improvements and a tax rate of 0.446 per year.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: WP, AF, SD, GP