

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**March 11, 2019**

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

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

**IN RE:** SB554 by Schwertner (relating to establishing actual progress for the purposes of determining the right to repurchase real property from a condemning entity.), **Committee Report 1st House, Substituted**

**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 previous and future condemnations.**

Except for certain jurisdictions, the bill would amend the Property Code to increase from two to three the number of actions required by a condemning authority that make progress towards the development of the property that led to the condemnation action. Current statute establishes that failure to meet these requirements for "actual progress" within ten years of the date the property was acquired by condemnation entitles the original landowner to repurchase the real property.

According to the Department of Transportation, no determinable fiscal impact can be calculated; however, narrowing the definition of and increasing the standard to show "actual progress" could subject more of the property acquired by the agency for roadway purposes to a right of repurchase by the preceding landowner, which in turn could make long-term, advanced right of way acquisition and road planning more costly and difficult.

**Local Government Impact**

According to the City of Houston, while the scenario rarely occurs, it could be costly for the City should it be required to sell property back to the landowner. Costs that could arise would be legal fees and loss of any investments or improvements made by the City to the property.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** WP, CMa, JQ, GP, BRi