

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 7, 2019

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

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

IN RE: **SB1129** by West (Relating to the operation of certain urban land bank demonstration programs.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to change the number of years within which a land bank must sell property to a qualified participating developer from four years to eight years. In certain cases the bill would require a percentage of rental units be occupied by low income households. The bill would authorize a specified type of interlocal agreement to provide that in certain circumstances 50 percent of the property taxes collected on the property must be deposited to the credit of the land bank for the use of the program.

According to the Comptroller of Public Accounts (CPA), there would be no cost to the state because school district participation in interlocal agreements is optional and the property value on which property taxes diverted to a land bank are based would not be deducted in the Comptroller's school district Property Value Study.

Local Government Impact

According to CPA, the provisions of the bill relating to interlocal agreements could create a cost to local governments. The extent to which taxing units would enter into these agreements and the amount of property taxes that would be diverted to land banks is unknown. Consequently the cost to local jurisdictions cannot be estimated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, AF, SD, GP