

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 17, 2023

TO: Honorable DeWayne Burns, Chair, House Committee on Land & Resource Management

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2628 by Moody (Relating to the resale price of real property repurchased from a condemning entity by a previous owner or the owner's heirs, successors, or assigns.), **As Introduced**

A negative fiscal impact is anticipated as a result of TxDOT selling property interest for less than what was initially paid to acquire it. The exact extent of the impact, however, is indeterminable because each property is unique and the impact is dependent upon which properties would be repurchased.

The bill would change the resale price of real property repurchased from a condemning entity by a previous owner or the owner's heirs, successors, or assigns from the price paid to the owner by the entity at the time the entity acquired the property through eminent domain to the amount the entity was ordered to pay the owner for the property interest in the final judgment in the condemnation proceeding through which the entity acquired the property interest. The bill would also exclude certain elements from the resale price.

According to the Texas Department of Transportation (TxDOT), condemnation judgments typically do not include an accounting breakout of the elements addressed by the bill but rather only contain a bottom-line total amount, meaning the bill would require TxDOT to determine the value paid for the real property interest at the time of condemnation less any costs, fees, damages to the remainder, or consideration paid to settle in lieu of further litigation when selling a property via the right of repurchase. TxDOT also anticipates that the bill could reduce the amount a condemnee must pay to repurchase property to below what TxDOT actually paid for the property, which could induce more condemnees to repurchase previously condemned property, thereby increasing the number of repurchase requests that TxDOT would have to address.

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Local Government Impact

There would be a fiscal impact to local entities; however the amount cannot be determined. The fiscal impact to a local entity would vary depending on the amount of land eligible for repurchase and the number of individuals seeking to repurchase.

Source Agencies: 601 Department of Transportation

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