

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 60<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3985</b>
<b>Version:</b>	<b>POLPCS1</b>
<b>Request Number:</b>	<b>16171</b>
<b>Author:</b>	<b>Rep. Caldwell (Trey)</b>
<b>Date:</b>	<b>2/11/2026</b>
<b>Impact:</b>	<b>\$0</b>

**Research Analysis**

The proposed policy committee substitute for HB 3985 allows property owners in municipalities with populations over 130,000 to submit compensation claims if a local government fails to address public nuisances or enforce laws against:

- Illegal public camping;
- Obstructing public thoroughfares;
- Loitering;
- Panhandling;
- Public urination or defecation;
- Public consumption of alcohol;
- Possession or use of illegal substances; or
- Shoplifting.

Property owners can claim compensation for mitigation expenses or a decrease in the property's fair market value due to these issues, with the latter capped at the amount of primary property taxes paid to the local government in the previous tax year. Local governments must respond to claims within 30 days. Property owners may file a lawsuit for rejected or unanswered claims, and they can only receive repayment once per calendar year. The measure does not apply to case-by-case prosecutorial discretion decisions, acts of executive clemency, or federally mandated actions.

Prepared By: Autumn Mathews, House Research Staff

**Fiscal Analysis**

The proposed policy committee substitute for HB 3985 merely provides clarification of certain language in the introduced version. The measure does not materially alter the prior fiscal impact statement. Therefore, the measure is not anticipated to have a direct fiscal impact on the state budget or appropriations.

Prepared By: Zach Lein, House Fiscal Staff

**Other Considerations**

None.

