

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 20, 2003

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1432 by Dukes (Relating to the inspection of newly installed manufactured housing.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1432, As Engrossed: an impact of \$0 through the biennium ending August 31, 2005.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>FEDERAL FUNDS</i> 555	Probable (Cost) from <i>FEDERAL FUNDS</i> 555	Change in Number of State Employees from FY 2003
2004	\$509,928	(\$509,928)	12.0
2005	\$449,928	(\$449,928)	12.0
2006	\$449,928	(\$449,928)	12.0
2007	\$467,928	(\$467,928)	12.0
2008	\$449,928	(\$449,928)	12.0

Fiscal Analysis

The bill would require each newly installed manufactured home to be inspected for compliance with the standards and rules adopted and orders issued by the director of the Manufactured Housing Division (division) within the Department of Housing and Community Affairs (TDHCA). The current requirement is to inspect at least 25 percent of installed manufactured homes.

Methodology

According to the division, the number of manufactured homes to be inspected would remain relatively low, equaling approximately 30,000 in fiscal year 2004 and 35,000 in fiscal year 2005. The division would implement new strategies to inspect home installations. The division indicates that federal funds would be the source of funding based on anticipated federal rule changes. The division indicates that if federal funds are not made available, the division would adjust current fees and/or reallocate resources so that it would generate sufficient resources to fund these costs.

The division currently has 29 staff members who undertake inspections of manufactured home installations. In state fiscal year 2002, staff attempted 27,995 inspections and completed 14,422, or roughly 50 percent of all homes installed. In the cases where staff attempted to inspect a home installation but could not, the home had typically already been skirted, making the installation inaccessible, and/or the homeowner or installer was not available to allow access beneath the home. The division estimates that in order to reach the remaining 50 percent of homes that are not inspected, 12 additional inspectors (FTEs) would be needed and additional methodologies employed, such as noting partial inspections and/or requiring the presence of a homeowner or installer in order to inspect a home.

TDHCA estimates that the 12 new inspectors would complete 14,683 inspections and all staff would be located at division field offices. Although staff would be located in field offices, due to the size of regions, a considerable amount of travel would still be required to reach some communities. Inspectors typically have to travel every week. The division assumes that existing office space would be used so that no additional rent would be required.

The division estimates the average pay for 12 additional inspectors would be \$261,504 (\$21,792 each) per year, which does not include pay increases or payroll related costs. The division also estimates the inspectors would incur \$108,000 (\$9,000 each) in travel costs annually based on the current average travel costs per inspector. Additional costs would include materials and supplies of \$6,000 (\$500 each) per year and \$42,000 (\$3,500 for each cubicle) per year for cubicles.

The bill would take effect September 1, 2003.

Technology

The provisions of the bill would require 12 new computer systems, along with maintenance and software totaling \$18,000 in fiscal year 2004.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JK, DLBa, DE