

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 9, 2003

TO: Honorable Robert Talton, Chair, House Committee on Urban Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2473 by Callegari (Relating to certain housing programs administered by the Texas Department of Housing and Community Affairs and the role of the Texas Department of Housing and Community Affairs in the allocation of private activity bonds.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The Department of Housing and Community Affairs (TDHCA) assumes that because applicants to TDHCA's Private Activity Bond (PAB) Multifamily Mortgage Revenue Bond (MFMRB) Program will have to meet more requirements than applicants to local housing finance corporations' PAB programs, more developers will seek PAB authority through local housing finance corporations, decreasing overall TDHCA PAB applications received. For the purposes of this analysis, TDHCA assumes a reduction of 50 percent in pre-applications/inducements and applications received. TDHCA estimates these reductions will have an impact on bond fees received by TDHCA and would have a negative effect on TDHCA service delivery.

Based on the average number of inducements received in 2003, TDHCA assumes that under existing statute it would receive roughly 114 pre-applications or inducements related to PABs per year. TDHCA charges a \$1,000 inducement fee. TDHCA assumes there would be 57 fewer applications per year, which would represent \$57,000 in lost revenue yearly.

Based on the number of final applications received in 2002, TDHCA anticipates receiving 23 final applications for its Multi-Family PAB program per year under existing statute. Each applicant pays a \$10,000 final application fee. TDHCA assumes there would be 11 fewer final applications per year, which would represent an additional \$110,000 per year in lost revenue.

Based on the analysis of the Texas Department of Housing and Community Affairs and the Bond Review Board, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs, 352 Bond Review Board

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