

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 30, 2005

TO: Honorable Allan Ritter, Chair, House Committee on Economic Development

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1982 by Blake (relating to the creation and operation of a Texas Certified Retirement Community Program.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1982, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2006 | \$0 |
| 2007 | \$0 |
| 2008 | \$0 |
| 2009 | \$0 |
| 2010 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain/ (Loss) from <i>New GR-Dedicated Texas Certified Retirement Community Program Account</i> | Probable Savings/(Cost) from <i>New GR-Dedicated Texas Certified Retirement Community Program Account</i> | Change in Number of State Employees from FY 2005 |
|-------------|---|---|---|
| 2006 | \$79,059 | (\$79,059) | 1.0 |
| 2007 | \$61,966 | (\$61,966) | 1.0 |
| 2008 | \$61,966 | (\$61,966) | 1.0 |
| 2009 | \$61,966 | (\$61,966) | 1.0 |
| 2010 | \$61,966 | (\$61,966) | 1.0 |

Fiscal Analysis

The bill requires the Texas Department of Agriculture (TDA) to establish a Texas Certified Retirement Community program to encourage retirees and potential retirees to make their homes in Texas communities. The bill stipulates that TDA provide services to approved communities such as assistance in the training of local staff and volunteers; ongoing guidance in marketing, inclusion in the state's national advertising and public relations campaigns, and a progress assessment on maintaining and improving a community's desirability as a home for retirees. The bill also requires any community that requests to be a Texas Certified Retirement Community to submit an application to TDA and a fee equal to the greater of either \$5,000 or \$0.25 times the population of a community. Any new fees collected would be deposited into a new General Revenue-Dedicated Account (the

Texas Certified Retirement Community Program Account) created by the bill to be used by TDA to administer the program. This new General Revenue-Dedicated account would be subject to funds consolidation review by the current Legislature.

Methodology

The cost to administer this program includes the salary of a program coordinator as well as minimal administrative costs in the first year of the program for a total of \$79,059 in fiscal year 2006 and \$61,966 in subsequent fiscal years.

TDA anticipates that approximately 13 to 15 communities will apply each fiscal year generating approximately \$79,059 in fiscal year 2006 and \$61,966 in subsequent fiscal years. This estimate assumes that only rural communities will apply to the program. As written, however, the bill does not limit the program to rural communities.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, JRO, ZS, JF