

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB3873 by Menendez (Relating to the administration of the Texas Department of Housing and Community Affairs; providing a penalty.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3873, As Engrossed: an impact of \$0 through the biennium ending August 31, 2009.

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
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>APPROPRIATED RECEIPTS</i> 666	Probable Revenue Gain/ (Loss) from <i>APPROPRIATED RECEIPTS</i> 666	Change in Number of State Employees from FY 2007
2008	(\$107,877)	\$107,877	1.0
2009	(\$67,256)	\$67,256	1.0
2010	(\$67,256)	\$67,256	1.0
2011	(\$77,756)	\$77,756	1.0
2012	(\$67,256)	\$67,256	1.0

Fiscal Analysis

The bill would amend the Government Code relating to the administration of the Texas Department of Housing and Community Affairs (TDHCA). The bill would impose a penalty for certain violations and remove the requirement for TDHCA to hold a hearing on the State Low Income Housing Plan in each of the state's 13 uniform state planning districts.

The bill would require the TDHCA to maintain an electronic mail notification service to which any person may electronically subscribe to receive information concerning the status of preapplications and applications for the housing tax credit program.

The bill would require TDHCA to have the electronic mail notification system fully functional no later than January 1, 2008. This bill would take effect September 1, 2007.

Methodology

Based on information provided by TDHCA, the analysis assumes that TDHCA would be required to purchase and customize a list management software package at an estimated cost of \$42,000 in fiscal year 2008; purchase server hardware and software to house the email notification system at an estimated cost of \$10,500 in fiscal year 2008 and \$10,500 in fiscal year 2011; and there would be an ongoing cost of \$6,300 in each fiscal year beginning in 2008 for vendor maintenance of the system.

The analysis assumes that TDHCA would be required to hire 1.0 FTE to populate and maintain the database with current application status, ensure notifications are sent within the required timeframe, and provide additional information to subscribers as needed. Based on the analysis of TDHCA, it is assumed that establishing and maintaining this email notification system would necessitate additional resources at a cost of \$175,133 through 2009.

TDHCA also estimates costs for staff of \$30,000 for 1.0 FTE in fiscal year 2008 and \$40,000 for each fiscal year from 2009 through fiscal year 2012. Other operating expenses, professional services, and equipment are estimated at \$69,390 in fiscal year 2008, \$15,940 in fiscal year 2009, \$15,940 in fiscal year 2010, \$26,440 in 2011, and \$15,940 in fiscal year 2012. Estimated costs also include \$8,487 in fiscal year 2008 and \$11,316 in each fiscal year from 2009 through fiscal year 2012 for associated benefits.

This analysis assumes that any increased costs resulting from this bill would be offset by an increase in Housing Tax Credit Program application fee-generated revenue.

Technology

There would be a technology cost to TDHCA of \$60,000 in fiscal year 2008, \$6,300 in fiscal year 2009, \$6,300 in fiscal year 2010, \$16,800 in fiscal year 2011, and \$6,300 in fiscal year 2012.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JOB, DB, AH, MW