

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 30, 2009**

**TO:** Honorable Joe Deshotel, Chair, House Committee on Business & Industry

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

**IN RE: HB1635** by Smith, Todd (Relating to the abolition of the Texas Residential Construction Commission.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1635, As Introduced: a negative impact of (\$1,215,762) through the biennium ending August 31, 2011.

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
2010	(\$607,881)
2011	(\$607,881)
2012	(\$607,881)
2013	(\$607,881)
2014	(\$607,881)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	\$10,424,119	(\$11,032,000)	(80.0)
2011	\$10,424,119	(\$11,032,000)	(80.0)
2012	\$10,424,119	(\$11,032,000)	(80.0)
2013	\$10,424,119	(\$11,032,000)	(80.0)
2014	\$10,424,119	(\$11,032,000)	(80.0)

**Fiscal Analysis**

The bill would abolish the Texas Residential Construction Commission effective February 1, 2010. The bill would take effect September 1, 2009.

**Methodology**

Abolishment of the Texas Residential Construction Commission (TRCC) would result in a loss of General Revenue from professional fees and home registrations collected by the agency. Based on the 2010-11 Biennial Revenue Estimate, this loss is estimated to be approximately \$22.1 million for the biennium. This loss is offset by a cost savings of \$20.8 million in General Revenue expenditures for the biennium. These expenditures are based on fiscal year 2009 budgeted General Revenue

expenditures for TRCC.

The bill calls for the Texas Facilities Commission (TFC) to take custody of all property, records, and other assets of the TRCC. TFC reports that this would have no significant fiscal impact to the agency as TFC currently has the capability to take custody of the property with existing resources.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 303 Facilities Commission, 370 Residential Construction Commission

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