

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: HB1653 by Veasey (Relating to issuance of an optional license for certain builders.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1653, As Introduced: an impact of \$0 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	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Probable Revenue Gain from General Revenue Fund 1
2010	(\$125,000)	\$125,000
2011	\$0	\$0
2012	\$0	\$0
2013	\$0	\$0
2014	\$0	\$0

Fiscal Analysis

The bill would amend the Property Code to establish an optional builder license program to be administered by the Texas Residential Construction Commission (TRCC). Under the provisions of the bill, a person would be authorized to act as a builder without holding an optional builder license. The bill would require TRCC to charge and collect license application and renewal fees in amounts reasonable and necessary to cover the cost of administering the program. The bill would establish eligibility requirements for a builder license and procedures for the issuance or denial of a license.

The bill would take effect on September 1, 2009.

Methodology

TRCC indicates that the agency would incur a one-time cost of \$125,000 in fiscal year 2010 for the development of a database for the new licensing program. Based on the analysis of TRCC, it is assumed any other administrative costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

The bill requires TRCC to charge license application and renewal fees to cover the costs of the program. Therefore, it is assumed TRCC would assess and collect fees in amount sufficient to offset the costs associated with implementing the new optional builder license program.

Technology

Technology costs are estimated to be \$125,000 in fiscal year 2010 for a new licensing database.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 370 Residential Construction Commission

LBB Staff: JOB, JRO, MW, TG