

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

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

**March 22, 2009**

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

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

**IN RE: HB2295** by McClendon (Relating to the continuation and functions of the Texas Residential Construction Commission.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Property Code by changing the sunset date for the Texas Residential Construction Commission (TRCC) from September 1, 2009, to September 1, 2013. The bill would increase the number of commissioners from 9 to 11. The bill would require TRCC to maintain a homeowner recovery fund to reimburse aggrieved persons who suffer actual damages from a builder's act in violation of the Texas Residential Construction Commission Act. The bill would establish in statute the office of ombudsman within TRCC to assist the commission, builders, and homeowners in the inspection and dispute resolution process. The bill would require TRCC to produce a homeowner information pamphlet that provides basic information about TRCC and make the pamphlet available in a hard-copy format and on the commission's Internet website. TRCC would be required to provide the pamphlet to a homeowner after the registration of a home under an applicable remodeling contract. The bill would repeal statute establishing the Star Builder Program.

Based on the analysis and information provided by Sunset Advisory Commission staff and TRCC, it is assumed the provisions of the bill related to increasing the number of commission members by two, codifying the ombudsman program, and requiring the production and distribution of a homeowner information pamphlet could be absorbed within TRCC's existing resources. Although the bill would require TRCC to establish a homeowner recovery fund, the bill does not establish or specify a funding source for the recovery fund. Therefore, based on the analysis of Sunset Advisory Commission staff and TRCC, it is assumed this provision of the bill would either have no fiscal impact or would be accommodated within the agency's current appropriation. Also, based on the information provided by Sunset Advisory Commission staff, the repeal of the Star Builder program would result in a slight decrease in registration revenue. Due to the small number of registered Star Builders, the resulting revenue loss would not be significant relative to the total amount of builder registration fee revenues (less than 0.1 percent of agency fee revenue).

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 370 Residential Construction Commission

**LBB Staff:** JOB, JRO, MW, TG