

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 13, 2009

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

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

IN RE: HB2309 by Davis, Yvonne (Relating to reporting of certain information regarding foreclosure sales of residential real property.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2309, As Introduced: a negative impact of (\$152,998) 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	(\$91,499)
2011	(\$61,499)
2012	(\$61,499)
2013	(\$61,499)
2014	(\$61,499)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2009
2010	(\$91,499)	1.0
2011	(\$61,499)	1.0
2012	(\$61,499)	1.0
2013	(\$61,499)	1.0
2014	(\$61,499)	1.0

Fiscal Analysis

The bill would amend the Government Code relating to reporting of certain information regarding foreclosure sales of residential real property.

The bill directs the Texas Department of Housing and Community Affairs (TDHCA) to create a form to be filed by mortgage services with county clerks to collect property-level information on mortgage defaults and foreclosures as well as identifying the procedure for which the county clerks must submit the information to the Department. TDHCA must collect the data monthly beginning December 1, 2009, make the data available on the TDHCA website, and provide an annual report.

This bill would take effect September 1, 2009.

Methodology

For the purposes of this analysis, TDHCA estimates it would need one FTE (Information Specialist III, Salary Group B10 at \$42,000 per year plus benefits of \$11,999 each year) to complete the preparation of the data collection form; serve as main point of contact with the mortgage servicers and county clerks for technical assistance regarding the new data reporting requirement; enter the data into the foreclosure database; ensure data quality; and oversee report preparation and dissemination.

Technology

TDHCA estimates a total cost of \$37,500 in fiscal year 2010 and \$7,500 in fiscal years 2011-14 for the software development project. In fiscal year 2010, the agency estimates that 500 hours of contract software developer time will be required to build, test, and implement the system and report (\$75/hour x 500 = \$37,500). In fiscal years 2011-2014, TDHCA estimates that 100 hours per year will be required for enhancements and maintenance of the system.

Local Government Impact

No significant fiscal implication to units of local government is anticipated as a result of additional administrative responsibilities for a county clerk under the provisions of the bill.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JOB, JRO, MW, NV, TP