

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 23, 2009

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

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

IN RE: HB2601 by Thompson (Relating to notice of a foreclosure sale of real property.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Property Code regarding procedures a county clerk must follow regarding maintaining notices and publisher affidavits filed related to a foreclosure sale of real property, extending the period of time for retaining the notices and affidavits. Provisions of the bill would authorize a county clerk to receive a fee of \$2 for each notice or affidavit filed.

Local Government Impact

Costs and revenue gain to offset those costs would vary by county and would depend on the number of applicable notices and affidavits filed. The clerks from a variety of different sized counties provided information regarding the fiscal impact of the bill, as did the County and District Clerks Association of Texas.

Harris County, the largest county in the state, estimates based on current year foreclosures that the number of foreclosures in the county will be about 34,000 for fiscal year 2010. The county estimates a one-time cost of \$500 to purchase notice boards and an annual revenue gain of \$68,000 for charging \$2 for each filing. Although there would be some costs associated with an increase in workload, the county presumes those costs could be absorbed within existing resources.

Dallas County, the second largest county, estimates an average of 2,000 foreclosures annually. The county currently charges a \$3 filing fee for foreclosure notices and would therefore experience a revenue loss if statute establishes the fee at \$2.

Fort Bend County, 2000 census population of 354,452, estimates the \$2 filing fee would generate between \$8,000 and \$10,000 in added revenue annually to offset costs.

Williamson County, 2000 census population of 249,967, estimates the \$2 filing fee would generate \$5,574 in revenue and that associated costs would not be significant.

Washington County (2000 census population of 30,373) estimates revenue gain of \$100 to \$150.

The clerks association estimates that the additional time to retain the documents could require some capital expenditures for additional storage and costs associated with staff time, estimating the impact would vary by county size.

Source Agencies:

LBB Staff: JOB, JRO, DB