

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: HB2695 by Gattis (Relating to the abolition of the Texas Residential Construction Commission.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2695, 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 General Revenue Fund 1	Probable Revenue (Loss) from General Revenue Fund 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 (TRCC) effective February 1, 2010. The bill would require the Texas Facilities Commission to take custody of TRCC property, records, or other assets unless the Governor designates another governmental entity to take custody.

The bill would take effect on September 1, 2009.

Methodology

The abolishment of the TRCC would result in a loss of General Revenue from professional fees and new home registration fees collected by the agency. Based on the Comptroller's Biennial Revenue

Estimate for the 2010-11 biennium, the revenue loss is estimated to be approximately \$11 million each year. The revenue loss would be offset by a cost savings of \$10.4 million each year based on the fiscal year 2009 budgeted General Revenue expenditures for TRCC.

The bill requires the Texas Facilities Commission (TFC) to take custody of all property, records, and other assets of the TRCC. Based on the analysis of TFC, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's 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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