

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 6, 2009

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

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

IN RE: HB2896 by Leibowitz (Relating to requiring the Texas Residential Construction Commission to adopt forms to be used by builders for contracts for the sale or construction of a new home.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Property Code to require the Texas Residential Construction Commission (TRCC) to adopt rules that require builders to use contract forms prepared with the assistance of the Texas Real Estate Broker-Lawyer Committee and adopted by TRCC for the sale or construction of a new home. The rules could not prohibit a builder from using a contract form prepared by the purchaser or prepared by an attorney and required by the purchaser. The bill would include failure to use a contract form required by TRCC under the provisions of the bill as a violation subject to disciplinary action by the TRCC.

Based on the analysis of TRCC, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 370 Residential Construction Commission

LBB Staff: JOB, JRO, TG