

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 22, 2009

TO: Honorable Yvonne Davis, Chair, House Committee on Urban Affairs

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

IN RE: HB3161 by Davis, Yvonne (Relating to the administration of the Texas Department of Housing and Community Affairs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3161, As Introduced: an impact of \$0 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	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from Housing Trust Fund (Outside the Treasury)
2010	\$25,251,000
2011	\$30,937,000
2012	\$31,587,000
2013	\$32,219,000
2014	\$32,863,000

Fiscal Analysis

The bill would amend the Government Code regarding the Texas Department of Housing and Community Affairs (TDHCA). The bill would direct TDHCA to conduct a study on the effectiveness of the annual state low income housing plan, to include making recommendations on strategies for increasing the availability of affordable housing. The report would be submitted to the Legislature. The bill would direct TDHCA to seek and apply for any available federal funding, including federal matching funds, to assist with financing programs administered by the department.

The bill would also amend the Local Government Code regarding fees charged by county officers, to direct county clerks to collect a \$10 affordable housing fee for each document filed in the real property records. The new fee would be in addition to any fees currently charged for real property records filings. Counties would be required to keep separate records of the collections from the new fee, and

remit to the Comptroller of Public Accounts \$9.90 from each \$10 fee. Counties would retain 10 cents from each fee, along with any interest earned. The comptroller would deposit money received to the credit of the Housing Trust Fund (HTF).

The bill would take effect September 1, 2009.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

Based on the analysis of TDHCA, duties and responsibilities for the agency associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

For the purposes of this analysis, the comptroller obtained information on real estate filings through a survey of certain county clerks' offices, and those results were extrapolated to a statewide total. Estimated filings were projected through fiscal year 2014, fee revenues were estimated and adjusted for collection lags, and allocations to the HTF and counties were estimated. The HTF is a trust fund held outside the Treasury by the Texas Treasury Safekeeping Trust Company.

Local Government Impact

The fiscal impact to counties to implement the provisions of the bill is not anticipated to be significant.

Source Agencies: 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs

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