

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 16, 2009

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: SB950 by West (Relating to a fee imposed on real estate transactions to fund the housing trust fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB950, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

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 from <i>Housing Trust Fund (Outside the Treasury)</i>
2010	\$25,506,000
2011	\$31,250,000
2012	\$31,906,000
2013	\$32,544,000
2014	\$33,195,000

Fiscal Analysis

The bill would amend Chapter 118, Local Government Code, to require county clerks to collect a \$10 fee for the filing of the first page of a real property record. The new fee would be in addition to the fees currently charged for real property records filings. Counties would be required to keep separate records of the collections from the new fee, and send the money to the Comptroller of Public Accounts. The comptroller would deposit the money to the credit of the Housing Trust Fund (HTF).

The new fee would apply only to a document presented for recording on or after the effective date of the bill, which would be September 1, 2009.

Methodology

The Comptroller of Public Accounts obtained information on real estate filings through a survey of a sample of county clerks' offices, and extrapolated those results to a statewide total. Estimated filings

were projected through fiscal year 2014, and fee revenues were estimated and adjusted for collection lags. The HTF is a trust fund held outside the Treasury by the Texas Treasury Safekeeping Trust Company.

Local Government Impact

Counties would experience administrative costs related to collecting, maintaining separate records of, and submitting fees to the comptroller.

No significant fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, DB, SD