

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 21, 2011**

**TO:** Honorable Chris Harris, Chair, Senate Committee on Jurisprudence

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

**IN RE: HB230** by Phillips (relating to the authority of a county or municipality to regulate the location of halfway houses; providing a penalty.), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Local Government Code to authorize the governing body of a county or a municipality, by order or ordinance, to adopt regulations regarding halfway houses in an unincorporated area of the county or municipality and would stipulate the processes and scope of regulations.

The governing body of a county or a municipality would be authorized to require an owner or operator of a halfway house to obtain a license or other permit, or renew a license or other permit, and to charge a fee to cover the costs of processing an application or an investigation of an applicant.

A district court would have jurisdiction in a suit that arises from the denial, suspension, or revocation of a license or other permit issued by the county or municipality. A county or a municipality would be authorized to sue in district court for an injunction to prohibit the violation of a county adopted regulation. A person who violates the county's regulations would commit a Class A misdemeanor. A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both.

A county or a municipality would be authorized to inspect a halfway house to determine compliance with the adopted regulations.

Under the definition of a halfway house in the bill, a residential facility operated under contract with an agency or political subdivision of the state or an agency of the federal government would be excepted from the provisions.

According to the Office of Court Administration (OCA), the bill is not anticipated to cause an increase in the workload of cases heard in state district courts.

**Local Government Impact**

It is assumed that a county or a municipality would adopt regulations if a sufficient fee was imposed to offset costs for processing applications and investigating applicants. There could be a fiscal impact associated with inspecting halfway houses; however, the fiscal impact would vary depending on the number and location of halfway houses within a locality and may be partially offset by fees.

According to Comal County, there would be costs associated with the provisions of the bill including the salary for one additional employee (\$35,000); office equipment (\$5,000); a car allowance for inspections of halfway houses (\$4,500); printing and posting signs; and publishing notifications totaling an estimated \$44,500.

There could be costs associated with enforcement, prosecution and confinement, and revenue gain

from fines imposed and collected that would vary depending on the number of Class A offenses are committed; however, the amounts are not anticipated to have a significant fiscal impact.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council

**LBB Staff:** JOB, JT, TP, KKR, JJO, TB