

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 4, 2011

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

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

IN RE: HB1347 by Hughes (Relating to a refund of registration fees paid by home builders to the Texas Residential Construction Commission.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1347, Committee Report 1st House, Substituted: a negative impact of (\$803,000) through the biennium ending August 31, 2013.

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
2012	(\$803,000)
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2012	(\$150,000)	(\$653,000)
2013	\$0	\$0
2014	\$0	\$0
2015	\$0	\$0
2016	\$0	\$0

Fiscal Analysis

The bill would require the Comptroller to refund, in fiscal 2012 only, the prorated fee that was paid by a home builder after June 1, 2009 to the Texas Residential Construction Commission (TRCC) for an original or renewed certificate of registration that did not expire before September 1, 2009. The bill would not apply to a prorated fee that was paid by a builder to TRCC on or after June 10, 2009.

The bill would take effect September 1, 2011.

Methodology

TRCC was abolished in 2009 and ceased operations on August 31, 2010. In the agency's last months the fee for home builder original or renewal certificates of registration was prorated for the period

TRCC would remain in operation. However some certificates of registration were not prorated due to the ability of home builders to send in renewals or applications in advance. The registration data available does not give sufficient information regarding the date of payment, only the date of approval. It was assumed that a builder that pays the original or renewed certificate of registration fee between the dates of June 2, 2009 and June 9, 2009 would receive a prorated refund. Refunds would only be available in fiscal 2012.

The Comptroller of Public Accounts (CPA) estimates administrative costs of \$653,000 in fiscal year 2012, necessary to contract temporary employees to process the anticipated claims. The administrative costs estimate also includes the funds for programming, project management and security control assessments.

Technology

CPA estimates a one-time technology cost of \$317,000 in fiscal year 2012 for programming and project management and security control assessments.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, AG, SD