

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 20, 2013

TO: Honorable Garnet Coleman, Chair, House Committee On County Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB691 by Phillips (Relating to the authority of a county or municipality to regulate the location of halfway houses; providing a penalty.), **As Introduced**

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, it is anticipated that few regulation violation cases would be litigated in state district court; therefore, no fiscal impact to the judiciary is anticipated.

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. The fiscal impact associated with inspecting halfway houses would vary depending on the number and location of halfway houses and the amounts that may be partially offset by fees. No significant fiscal impact

is anticipated.

Travis County reported there could be costs for a site plan review (\$5,000), but the amounts would not be significant. Travis County's affected department's current fiscal year budget is \$39.3 million.

The City of Houston reported there would be costs totaling an estimated \$151,002 in fiscal year 2014 with similar amounts in subsequent fiscal years. Costs would include salaries and benefits for two new employees (\$120,000); vehicle debt service (\$3,571); computers (\$767); and operational costs for office supplies, fuel, clothing vehicle maintenance, phone/software (\$26,664). The city also reported there would be revenue gains totaling an estimated \$142,000. The City of Houston's affected department's current fiscal year budget is 28.43 million.

Bexar County reported no fiscal impact is anticipated. There are few halfway houses in the unincorporated area of the county; possibly only one, and the current staff would be sufficient to handle any additional inspections.

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 offenses 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: UP, TP, JT, KKR, JJO, TB