

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 8, 2013**

**TO:** Honorable René Oliveira, Chair, House Committee on Business & Industry

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3803** by McClendon (Relating to the municipal and county regulation of and the oversight by the attorney general of property owners' associations and unit owners' associations; providing penalties.), **As Introduced**

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

The bill would add Chapter 230 to the Local Government Code relating to the municipal and county regulation of property and unit owners' associations, and would specify that the Attorney General would have general oversight. The bill would provide definitions and would establish requirements for oversight.

The Office of the Attorney General indicates that enactment of the bill could result in additional complaints and investigations within the agency's Consumer Protection Division and an additional 10.0 Assistant Attorney General and Legal Assistant positions would be required to address the possible increased workload. However, it is anticipated that any costs associated with the bill could be absorbed within existing resources.

The bill would take effect September 1, 2013; provided, however, that the provisions relating to oversight by the Office of the Attorney General take effect January 1, 2014.

**Local Government Impact**

Cameron County indicated to the Texas Association of Counties that counties would have the authority to monitor and improve oversight on property and unit owners' associations, particularly for health and safety, sanitation and infrastructure (lights and sidewalks), only if the county chose to exercise that authority; therefore, no significant fiscal impact is anticipated.

The City of Houston indicated that if an ordinance was adopted to regulate the conduct of property and unit owners' associations with respect to matters of municipal concern, including land use, health and safety, sanitation, infrastructure, and law enforcement; the costs could be minimal or may be significant depending on the level of regulation. If the city was required to review all aspects of an association, the regulatory authority could become burdensome, and would require many new employees in several city departments resulting in an indeterminate fiscal impact on the City of Houston's overall budget.

**Source Agencies:** 302 Office of the Attorney General

**LBB Staff:** UP, RB, SD, TP, JM