

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 29, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1588 by Villalba (Relating to the administrative determination of title to certain timeshare properties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1588, As Introduced: a negative impact of (\$345,000) through the biennium ending August 31, 2017.

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
2016	(\$172,500)
2017	(\$172,500)
2018	(\$172,500)
2019	(\$172,500)
2020	(\$172,500)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	(\$172,500)	1.0
2017	(\$172,500)	1.0
2018	(\$172,500)	1.0
2019	(\$172,500)	1.0
2020	(\$172,500)	1.0

Fiscal Analysis

The bill would amend the Property Code to designate the General Land Office (GLO) as the responsible agency for the determination of title to certain timeshare properties involving alleged overlapping interests. GLO reports new responsibility would result in significantly increased requirements for traditional title related activities and legal determinations, not presently

performed by the Land Office for this type of property ownership.

The bill would take effect September 1, 2015.

Methodology

Based on information provided by GLO, additional staff would be necessary to implement the requirements of the bill and perform numerous duties, including but not limited to the development, adoption and implementation of new rules, notice provisions, hearing procedures, including an appeal process, and filing and recording requirements. In addition, the agency would have to receive, process, review and draft recommendations for all submitted petitions, then hold the hearings, make legal determinations or title rulings and potentially serve as witnesses in subsequent proceedings.

GLO indicates that these requirements are applicable to a select number of counties (14) in Texas along the gulf coast; however the GLO has no historical data or ability to predict the number of petitions that may result due to this legislation. In addition the GLO notes that this bill currently does not address the ability of the GLO to collect all expenses from petitioners associated with performing these duties.

GLO expects initially that at least one full time attorney with significant real estate experience would be needed to support these new requirements (paid \$115,000, together with related benefits of \$37,237 and payroll contribution costs of \$1,725 each fiscal year). In addition the expectation is that the hearings most likely would be held in the individual counties where the timeshare properties are located and therefore would incur related travel expenses of the associated staff (\$7,500 each fiscal year). Finally, for the purposes of holding the hearings the agency has assumed a minimum of five hearings annually at a cost of approximately \$10,000 each to include facilities, court reporting fees, and filing fees.

Local Government Impact

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

Source Agencies: 305 General Land Office and Veterans' Land Board

LBB Staff: UP, CL, MW, TB, KVe