

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 22, 2015

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3474** by Coleman (Relating to issues affecting counties and other governmental entities.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for Section 16 of HB3474, Committee Report 2nd House, Substituted: a negative impact of (\$2,210,232) through the biennium ending August 31, 2017.

Section 56 of the bill would specify that in counties with a population at least 4 million (Harris County) the amount of the property tax exemption for certain organizations constructing or rehabilitating low-income housing is 100 percent of the appraised value, if certain conditions exist. The bill's requirement of an exemption of certain low-income housing in Harris County would require Harris County taxing units to grant a 100 percent low-income housing exemption at the full appraised value to these properties. As a result, taxable property values would be reduced and the related costs to the Foundation School Fund would be increased through the operation of the school finance formulas.

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	(\$1,105,116)
2017	(\$1,105,116)
2018	(\$1,105,116)
2019	(\$1,105,116)
2020	(\$1,105,116)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1
2016	(\$1,105,116)
2017	(\$1,105,116)
2018	(\$1,105,116)
2019	(\$1,105,116)
2020	(\$1,105,116)

Fiscal Analysis

The bill would amend various codes relating to the issues affecting counties and other governmental entities. Section 1 through 15 of the bill would amend the Government Code to expand program eligibility to defendants who had suffered sexual trauma during military service and would remove eligibility requirements that a veteran's injury, illness, or disorder resulted from service in a combat zone or other hazardous area. The bill would provide the court more discretion to order participation in a veterans court program and would reduce the not-to-exceed amount for the participation fee from \$1,000 to \$500. Additionally, the bill would provide for the automatic expunction of all records and files related to the arrest of a person that completes a veterans court program and requires the court to enter an order of nondisclosure under certain circumstances for individuals who successfully complete a veterans treatment court program. The bill would expand program eligibility to individuals convicted of or placed on deferred adjudication for any misdemeanor or felony offense and authorizes a participant to utilize videoconferencing software or other internet-based communications to fulfill treatment or other court obligations. Finally, the bill would authorize cases for participants in veterans treatment courts to be transferred to a county where the defendant resides or works with the consent of both veterans treatment courts and the defendant.

Section 16 of the bill would amend Government Code to create a grant program for monitoring defendants and victims in family violence cases. The bill would require the Criminal Justice Division in the Trusteed Programs Within the Office of the Governor to establish program guidelines and provide grants to reimburse counties who participate in certain global positioning monitoring systems. The bill would require a biennial report on the grant program.

Section 17 through 48 of the bill would amend the Health and Safety Code to expand control orders for detention of persons infected with, exposed to, or carriers of a communicable disease. The bill would require that the Department of State Health Services establish a stockpile of protective equipment to support responses to infectious disease emergencies.

Section 49 through 55 of the bill would expand the categories of school district employees eligible to receive mental health first aid training and related grants. The training and grants would be available to employees that regularly interacted with students in the course of their duties

Section 56 of the bill would amend Chapter 11 of the Tax Code, regarding taxable property and exemptions, to specify that in counties with a population at least 4 million (Harris County) the amount of the property tax exemption for certain organizations constructing or rehabilitating low-income housing is 100 percent of the appraised value, if the owner is a federally tax exempt entity under Section 501(c)(3) of the Internal Revenue Code, the owner otherwise qualifies for the exemption for the property, and the property was previously owned by a local government corporation created by a city under Transportation Code Chapter 431 or Local Government Code

Chapter 394 for affordable housing purposes in a tax increment financing reinvestment zone created by the city.

Section 57 of the bill would create the Task Force to Study Population Growth in Texas to assess the effects of population growth on counties relating to housing, businesses, land resources, the economy, health care services, and county jails. The bill would establish the duties, compensation, and composition of the task force, including the manner in which appointments to the task force are made.

Methodology

According to the Office of Court Administration's Fiscal Year 2013 Annual Statistical Report for the Texas Judiciary, there were 7,395 family violence cases filed for indictment in FY2013. Using that data, the Office of the Governor estimates five percent, approximately 370 cases, would rise to level that GPS monitoring would be warranted.

The Office of the Governor estimates daily costs for monitoring and supervision of the GPS Device is \$16.52 ($\$16.52 \times 370 \text{ cases} = \$6,112.40/\text{day}$). The Office of the Governor assumes each case will require 90 days of monitoring ($90 \text{ days} \times \$6,112.40/\text{day} = \$550,116$). In addition, each GPS unit costs approximately \$1,500 ($\$1,500 \times 370 \text{ cases} = \$555,000$). The total cost for the unit and monitoring would be \$1,105,116 per fiscal year.

It is anticipated that the additional provisions of the bill could be absorbed by the other affected agencies within current resources.

Local Government Impact

Section 1 through 15 of the bill would expand the availability for participation in a veterans court program and would reduce the fee for participation from not to exceed \$1,000 to not to exceed \$500. There may be a revenue loss to local governments; however, the fiscal impact would vary depending on the number of participants in the program.

Section 17 through 48 could create costs for local governmental entities. The costs would depend on the number of cases and the severity of communicable diseases. The costs to local governmental entities could include: transporting or securing an individual to a facility, documentation of the communicable disease, and the detention of the individual.

Section 49 through 55 of the bill would include school district employees and resource officers to be eligible to access mental health first aid training. It is assumed that the cost of training would be covered by available grant funding. Some school districts could incur costs for substitute teachers to cover classrooms while teachers were obtaining training.

Section 56 of the bill would specify a requirement of an exemption of certain low-income housing in Harris County would require Harris County taxing units to grant a 100 percent low-income housing exemption at the full appraised value to these properties. The bill's provisions that reduce taxable property values of select properties in Harris County would reduce taxable property values and the related ad valorem tax revenue for local taxing units in Harris County.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 301 Office of the Governor, 403 Veterans Commission, 537 State Health Services, Department of, 701 Central Education Agency

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