

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 15, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1512 by Isaac (Relating to the administration of the owner-builder loan program.),
Committee Report 2nd House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code relating to the administration of the owner-builder loan program. Under the provisions of the bill, the total amount of amortized, repayable loans made by the Texas Department of Housing and Community Affairs (TDHCA) and other entities would be eliminated. The bill would specify that certain money received by TDHCA is part of the owner-builder revolving loan fund and the bill would require all money constituting the owner-builder revolving loan fund to be deposited in the housing trust fund, as established under Section 2306.201, Government Code.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote necessary for immediate effect; it would take effect September 1, 2017.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature

The Texas Department of Housing and Community Affairs indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

Currently, the agency is appropriated \$3.3 million per fiscal year in General Revenue in Strategy A.1.3, Housing Trust Fund, for the owner-builder loan program, a program that provides funding for grants to assist in housing construction. Under current practice, TDHCA is required by Rider 9, Housing Trust Fund Deposits to the Texas Treasury Safekeeping Trust Company, of the agency's bill pattern in the 2016-17 General Appropriations Act to deposit all Housing Trust Fund funds in the Texas Treasury Safekeeping Trust Company where the program is currently operated. Under current practice, the agency does not currently use the General Revenue Dedicated Account #5077 Owner Builder Revolving Loan fund to operate the program as required by statute and as such, it is not assumed the provisions of the bill would have a significant impact.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 332 Department of Housing and
Community Affairs

LBB Staff: UP, JGA, EH, EK