

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION
Revision 1

April 12, 2017

TO: Honorable John Kuempel, Chair, House Committee on Licensing & Administrative Procedures

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2019 by King, Tracy O. (Relating to the regulation of manufactured homes.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 1201 of the Occupations Code, relating to manufactured housing, to require the Texas Department of Housing and Community Affairs (TDHCA) - Manufactured Housing Division (MHD) to provide information to the public on its Internet website regarding manufactured home ownership records, lien records manufacturers' monthly shipment reports, and enforcement actions. The bill would require the Manufactured Housing Board to conduct a cost benefit analysis for any rule, process, or policy change that will increase a fee or other incurred cost by more than \$50 for license holders or consumers. The bill would amend Section 1201.403 to require that the amount reserved in the Manufactured Homeowners' Recovery Trust Fund be determined by a specific appropriation made to TDHCA and allocated to the fund by the operating budget of the department. The bill would specify that if any part of MHD's operating budget is funded by appropriated receipts, the trust fund shall be funded out of appropriated receipts only after all other department operations have been sufficiently funded. The bill would repeal the requirement that \$10 of the fee for each purchase or exchange of a manufactured home be deposited to the credit of the trust fund. The bill would repeal Section 1201.101(f-1), which prohibits a manufacture home retailer from operating more than one location under a single license.

The bill would take effect on September 1, 2018.

Based on the analysis of TDHCA and the Office of the Attorney General, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources. Based on the information provided by TDHCA, it is assumed the elimination of the provisions of Occupations Code, Section 1201.101(f-1), would not result in a significant operational or fiscal impact.

Based on the analysis of the Comptroller's office, the bill would recreate the currently inactive Manufactured Homeowners' Recovery Trust Fund as an account in the General Revenue Fund. Because appropriations to TDHCA for the MHD consist of Appropriated Receipts, this analysis assumes money from Appropriated Receipts generated from manufactured home statement of ownership fees would be deposited to the trust fund after all other MHD operations have been funded, as currently stipulated by Rider 12, Manufactured Homeowner Consumer

Claims, in the TDHCA bill pattern in Article VII of the 2016-17 General Appropriations Act. Based on the information provided by the Comptroller's office, it is assumed eliminating the requirement for \$10 from manufactured housing purchase or exchange related fees to be deposited to the trust fund would not result in a fiscal impact to the State.

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.

Local Government Impact

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

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts,
332 Department of Housing and Community Affairs

LBB Staff: UP, CL, EH, TG, SD, JSm, JGA