

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 6, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2534 by Kuempel (Relating to certain real estate sales, brokerage, and advertising activities, certain functions of the Texas Real Estate Commission, and the authorization of a ground lease with the Texas Facilities Commission to construct or maintain a building.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2534, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2019.

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
2018	\$0
2019	\$0
2020	(\$750,000)
2021	(\$750,000)
2022	(\$750,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2018	\$0
2019	\$0
2020	(\$750,000)
2021	(\$750,000)
2022	(\$750,000)

Fiscal Analysis

The bill would amend Occupations Code and Property Code relating to certain real estate

brokerage and advertising activities and to certain functions of the Texas Real Estate Commission (TREC), and the authorization of a ground lease with the Texas Facilities Commission (TFC) to construct or maintain a building.

Effective September 1, 2019, the bill would reduce the \$750,000 that TREC is required to remit to the General Revenue Fund each year by amounts expended each fiscal year to construct or maintain a building in the Capitol Complex, including for repayment of a construction loan, to be developed, constructed, maintained, and operated in conjunction with TFC. This provision would remain in effect until September 1, 2029.

The bill would authorize TFC to enter into a ground lease with TREC for the purposes of construction of a building in the Capitol Complex, as specified in the bill.

Except as otherwise specified, the bill would take effect September 1, 2017.

Methodology

The Comptroller of Public Accounts (CPA) assumes in its analysis that TREC will enter into a lease with TFC for and begin construction on a building in the Capitol Complex in fiscal year 2020, as authorized by the bill, and that its annual expenditures related to construction and maintenance of the building would exceed \$750,000, such that annual revenue to General Revenue would be reduced by \$750,000 beginning in fiscal year 2020.

Based on the analysis of TFC, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

TREC is a self-directed, semi-independent agency; therefore, any agency costs or savings associated with implementing the provisions of the bill are not considered in this analysis.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Facilities Commission, 304 Comptroller of Public Accounts, 329 Real Estate Commission

LBB Staff: UP, CL, EH, AO, JSm