

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 1, 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 brokerage and advertising activities and to certain functions of the Texas Real Estate Commission.), **As Introduced**

No fiscal impact is anticipated in the 2018-19 biennium; however, the fiscal impact cannot be determined for fiscal year 2020 and beyond, but could result in a negative impact for revenue to the state.

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).

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.

Based on information provided by TREC, the Comptroller of Public Accounts (CPA) reports that TREC is in the process of requesting authorization to construct a building in the Capitol Complex. The CPA estimates that in the event that TREC is authorized to construct a building in the Capitol Complex, revenue to the state would be reduced by the amounts expended to construct or maintain the building or repay a construction loan. However, the CPA reports that these expenditures are unknown and that the fiscal impact cannot be determined. Due to the effective date, the potential reduction in revenue remitted to the state would not occur until fiscal year 2020.

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.

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

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

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