

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 7, 2019**

**TO:** Honorable Dan Flynn, Chair, House Committee on Defense & Veterans' Affairs

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB2646** by Gutierrez (Relating to the adoption of a land bank program by the Veterans' Land Board.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2646, As Introduced: a negative impact of (\$2,503,784) through the biennium ending August 31, 2021.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2020	(\$1,301,419)
2021	(\$1,202,365)
2022	(\$1,202,365)
2023	(\$1,202,365)
2024	(\$1,202,365)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>	<b>Change in Number of State Employees from FY 2019</b>
2020	(\$1,301,419)	9.0
2021	(\$1,202,365)	9.0
2022	(\$1,202,365)	9.0
2023	(\$1,202,365)	9.0
2024	(\$1,202,365)	9.0

**Fiscal Analysis**

The bill would amend the Natural Resources Code and the Tax Code to establish a veterans' land bank program to be administered by the Veterans' Land Board (VLB). VLB would establish or approve a land bank for the purpose of acquiring, holding, and transferring certain unimproved

real property for the purpose of providing affordable housing for low-income veterans. The bill would require VLB to adopt a land bank plan annually and to hold a public hearing before adoption of the plan. The plan would be required to include a list of community housing development organizations eligible to participate in the plan, a list of parcels of property that may be eligible, VLB's plan for affordable development of those parcels, and sources and amounts of public subsidies that may be available. VLB would be required to consider any other housing plans adopted by a municipality or county in which it intends to implement the program.

The bill would take effect September 1, 2019.

### **Methodology**

The existing land and housing program at VLB requires VLB to act only as a mortgage lender. The bill would require VLB to perform work outside its current purview, and the agency indicates that it would need 9.0 FTEs with experience in real estate development to implement the bill. The requested FTEs are as follows: 1.0 Attorney VI (salary \$156,256), 1.0 Director II (salary \$129,137), 1.0 Drafting Technician II (salary \$68,960), 2.0 Financial Analyst III (salary per FTE \$93,406), 1.0 Financial Analyst IV (salary \$100,034), 1.0 Land Surveyor I (salary \$68,960), 2.0 Loan Specialist IV (salary per FTE \$90,393). Costs for the FTEs would be \$1,301,419 in fiscal year 2020 and \$1,202,365 each subsequent year.

### **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board

**LBB Staff:** WP, SLE, MW, PBO