

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 30, 2021

TO: Honorable Philip Cortez, Chair, House Committee on Urban Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB862 by Romero, Jr. (Relating to the regulation of migrant labor housing facilities; authorizing an increase in the amount of a fee; changing the amount of a civil penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB862, As Introduced : a positive impact of \$35,150 through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$2,311
2023	\$32,839
2024	\$61,950
2025	\$91,061
2026	\$120,172

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$897,189)	\$899,500	8.0
2023	(\$995,161)	\$1,028,000	9.0
2024	(\$1,094,550)	\$1,156,500	10.0
2025	(\$1,193,939)	\$1,285,000	11.0
2026	(\$1,293,328)	\$1,413,500	12.0

Fiscal Analysis

The bill would amend the Government Code relating to the regulation of migrant labor housing facilities. The bill would require the Texas Department of Housing and Community Affairs (TDHCA) board to establish a fee for a migrant labor housing facility licenses in an amount sufficient to cover the cost of administration.

TDHCA would be required to inspect facilities whenever a complaint is submitted regarding the condition of the licensed facilities, and at least once during the period of probable use of the facility. The bill would require TDHCA to set an annual quota of proactive inspections, provisions for the immediate suspension or revocation of a license, and a civil penalty schedule for violations.

An action to collect the civil penalty could be brought by TDHCA through a contested case hearing, by the county attorney where the violation occurred, or by a migrant agricultural worker who lived in the facility at the time of violation. Penalties collected in actions brought by TDHCA or a county attorney would be deposited to the General Revenue Fund and could only be appropriated for enforcement of this chapter.

Methodology

The current license fee is \$250, and the civil penalty is currently up to \$200 for each day that a violation occurs. According to the Comptroller of Public Accounts (CPA), new license fees and civil penalty amounts would be set by TDHCA and are unknown; therefore, the revenue implications of the bill cannot be determined.

Based on information provided by TDHCA, implementation of the bill would result in a cost of \$1.9 million in General Revenue and 8.0 FTEs over the 2022-2023 biennium, including \$1.4 million in personnel and personnel-related costs and \$0.4 million in travel costs. All costs will be offset by fees set by TDHCA as allowed under the bill.

Due to uncertainty inherent in penalty collection, this analysis does not take penalty collections into consideration for the purpose of defraying costs. However, should penalties be collected, these would be applied to costs and reduce the cost gap or licensing fees in future periods.

Technology

Technology needs anticipated as a result of bill passage include \$12,000 in General Revenue for computers and software for 8.0 FTEs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Admin, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 332 Dept Housing-Comm Affairs

LBB Staff: JMc, AF, MB, MPUK