

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 23, 2021**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2175** by Moody (Relating to certain qualified residential rental assistance projects financed by private activity bonds.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

However, there could be an indeterminate impact on revenue from the application fee for each qualified residential rental project included in the application for the project.

The bill would amend the Government Code authorize an applicant to aggregate more than one qualified residential rental project into a single, combined project as part of the participation of the housing authority for the applicable municipality in a program administered by the United States Department of Housing and Urban Development other than the Rental Assistance Demonstration program if the combined project is related to the purpose of the program.

For a project that includes multiple qualified residential rental projects, the application must be accompanied by a nonrefundable fee in an amount of \$5,000 for each qualified residential rental project included in the application for the project, with a maximum total fee of \$25,000. The Bond Review Board is required retain 20 percent to offset the costs of the private activity bond allocation program and the administration of that program and to transfer 80 percent through an interagency agreement to the Texas Department of Housing and Community Affairs for use in the affordable housing research and information program. The impact of the bill's provisions on that application fee revenue is unknown.

**Local Government Impact**

The fiscal implications of the bill cannot be determined at this time, but the bill only applies to an applicant created by a municipal housing authority established by a municipality that is adjacent to an international boundary of this state and that is located in a county with a population of more than 800,000, which is currently only El Paso and Hidalgo Counties.

**Source Agencies:** 332 Dept Housing-Comm Affairs, 352 Bond Review Board

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