

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 7, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3417 by Fierro (Relating to the regulation of manufactured homes.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3417, As Introduced : an impact of \$0 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>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from Appropriated Receipts 666
2022	(\$1,105,350)
2023	(\$1,105,350)
2024	(\$1,105,350)
2025	(\$1,105,350)
2026	(\$1,105,350)

Fiscal Analysis

The bill would amend the Occupations Code relating to the regulation of manufactured housing and provides for the director to waive licensing requirements when an emergency declaration is issued by the governor or a federal agency. In addition, it exempts a person from holding a retailer's license if all of the homes sold by the person are located in a manufactured home community and sold to the same purchaser in connection with a sale of a lot or parcel of real property in the community.

Methodology

The bill would require the Executive Director of the Manufactured Housing Division (MHD) to suspend all

licensing fees while there is an active state or federal disaster declaration in place. Based on information provided by the Texas Department of Housing and Community Affairs (DHCA), suspension of licensing fees would result in a loss of revenue from Appropriated Receipts of \$1,105,350 per fiscal year.

For the purposes of this estimate, the DHCA Manufactured Housing Division assumes that there would be an active disaster declaration throughout the five years projected that would preclude MHD from collecting licensing fees, given current, active declarations. There have been sustained declared disasters such as COVID-19 (in place since 2020) and Hurricane Harvey (in place since 2017) as well as multiple declarations within a year in recent years.

Technology

There is no anticipated technology impact as a result of implementing this bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 332 Dept Housing-Comm Affairs, 466 Consumer Credit Comm

LBB Staff: JMc, AF, MB, MPUK