

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 21, 2021

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1588 by Hughes (Relating to the powers and duties of certain property owners' associations.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1588, As Passed 2nd House : an impact of \$0 through the biennium ending August 31, 2023.

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	(\$750,000)
2025	(\$750,000)
2026	(\$750,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2022	\$0
2023	\$0
2024	(\$750,000)
2025	(\$750,000)
2026	(\$750,000)

Fiscal Analysis

The bill would amend the Property Code relating to the powers and duties of certain property owners' associations (HOAs). The bill would require the Texas Real Estate Commission (TREC) to create a repository to collect and store management certificates filed by a property owner's association and would remove the requirement for TREC to remit \$750,000 to the general revenue fund annually, beginning in fiscal year 2024.

Methodology

Based on information provided by TREC, the agency currently remits \$750,000 annually to general revenue from the local fund. By no longer remitting the \$750,000 to the general revenue fund, the agency indicates it would be able to absorb the costs of implementing and maintaining the HOA reporting database.

TREC indicates it will create, implement, and maintain an HOA management certificate database while enhancing data security, establishing a designated data management officer; and addressing previously identified deficiencies in customer service provisions noted by the Sunset Commission without fee increases. The bill does not authorize TREC to collect a fee in relation to new requirements of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Admin, 304 Comptroller of Public Accounts, 329 Real Estate Commission, 454 Department of Insurance

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