

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 10, 2023

TO: Honorable J. M. Lozano, Chair, House Committee on Urban Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB883 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.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB883, Committee Report 1st House, Substituted : a positive impact of \$56,925 through the biennium ending August 31, 2025.

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>
2024	\$1,620
2025	\$55,305
2026	\$0
2027	\$0
2028	\$44,462

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>
2024	(\$650,840)	\$652,460	5.5
2025	(\$652,490)	\$707,795	5.5
2026	(\$826,733)	\$826,733	7.5
2027	(\$839,333)	\$839,333	7.5
2028	(\$859,683)	\$904,145	7.5

Fiscal Analysis

The bill would amend the Government Code relating to the regulation of migrant labor housing facilities. The bill clarifies that a person may not operate such a facility without a license and would adds inspection and reporting requirements for the Texas Department of Housing and Community Affairs (TDHCA). The bill would require the agency to establish a fee for a migrant labor housing facility license 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 and

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. Civil penalties collected in actions brought by TDHCA or a county attorney would be deposited to the credit of the General Revenue Fund and could only be appropriated for enforcement of these bill's provisions. The bill would take effect January 1, 2024.

Methodology

Based on information provided by TDHCA, implementation of the bill by the agency would require an additional 4.0 Inspector positions, a Compliance Program Administrator, and a part-time legal assistant resulting in a cost of \$1.3 million in General Revenue and 5.5 FTEs over the 2024-2025 biennium, including \$700,000 in salaries and wages and \$600,000 in Other Personnel-related costs. An additional Inspector and Investigator position would be required beyond the 2024-25 biennium due to an anticipated increase in the number of facilities to be inspected and licensed.

The bill states that the license fee cannot exceed \$75, and the civil penalty be not less than \$50 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; however, the bill requires that the amounts established by the agency be sufficient to cover the cost of administering the program. Therefore, this estimate anticipates revenue gains to the General Revenue Fund of amounts approximately equal to the cost estimate.

Since the amount anticipated to be collected in penalty collection cannot be determined, 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.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Technology

Technology needs anticipated include \$44,850 in General Revenue for computers and software for the additional FTEs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 332 Department of Housing and Community Affairs

LBB Staff: JMc, AF, GDZ, SLee