

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 6, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3136 by Campos (relating to the issuance by the Texas Department of Housing and Community Affairs of certain federal forms for purposes of allocating low income housing tax credits; authorizing an administrative penalty.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3136, Committee Report 1st House, Substituted : an impact of \$0 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	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from Appropriated Receipts 666</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$192,562)	2.0
2025	(\$187,562)	2.0
2026	(\$187,562)	2.0
2027	(\$187,562)	2.0
2028	(\$187,562)	2.0

Fiscal Analysis

The bill would amend the Occupations code to require the Texas Department of Housing and Community Affairs to adopt procedures for a development owner to prepare and submit to the department a documentation packet to obtain Form 8609 for the purpose of receiving an allocation of housing tax credits. The bill also allows the department to administer an administrative penalty if the department determines that a development owner intentionally provided incorrect or inconsistent information in a documentation packet submitted to the department.

In addition, the bill would require the department to prepare and submit quarterly to the legislature a written report that includes: the total number of submitted cost certification packets, the total number of Forms 8609 that the department issued in various timeframes ranging from less than 120 days to more than 180 days, a detailed statement of the reasons for the department's delay in issuing Form 8609 in the time required, including complete copies of any requests for information, the average time the department required for issuing Form 8609, the total number of rejected applications for Form 8609, and a detailed statement of the reason for the department 's rejection of each application.

Methodology

The bill requires the department to issue Forms 8609 within 120 days of receiving the documentation packet. Due to the shortened time frame for issuing the form, the agency would require two additional Asset Managers positions (\$71,050 per year per FTE with estimated benefits of \$21,231 per FTE). Also included in the estimate are one-time startup technology costs of \$5,000 and annual costs of \$3,000 for general supplies.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JMc, AF, GDZ, SLee