

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 7, 2025

TO: Honorable Cecil Bell, Chair, House Committee on Intergovernmental Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB714 by Walle (Relating to the establishment and implementation by the Texas Department of Housing and Community Affairs of the Texas Tenant Readiness and Landlord Incentive Pilot Program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB714, As Introduced: a negative impact of (\$189,658) through the biennium ending August 31, 2027. The grant amount cannot be determined at this time. It is assumed that any additional funding associated with the grant amount would be determined by the Legislature.

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>
2026	(\$96,204)
2027	(\$93,454)
2028	(\$119,036)
2029	(\$118,348)
2030	(\$118,348)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Change in Number of State Employees from FY 2025</i>
	1	
2026	(\$96,204)	1.0
2027	(\$93,454)	1.0
2028	(\$119,036)	1.3
2029	(\$118,348)	1.3
2030	(\$118,348)	1.3

Fiscal Analysis

The bill would amend the Government Code to require the Texas Department of Housing and Community Affairs (TDHCA) to establish and implement the Texas Tenant Readiness and Landlord Incentive Pilot Program. The bill would require TDHCA to contract with local government entities, housing authorities, and local nonprofits to provide assistance to those facing homelessness or housing instability.

The legislation would take effect on September 1, 2025.

Methodology

Based on analysis by TDHCA, this estimate assumes that the agency would require 1.0 additional Program Specialist V FTE position with an annual salary of \$70,662 and benefits of \$21,142 to administer the program, including developing rules, training materials, and disbursing funds. The agency would require an additional 0.25 Auditor III FTE position beginning in fiscal year 2028 with an annual salary of \$18,844 and benefits of \$5,638 to provide contract monitoring. An additional \$1,650 in fiscal years 2026-27 would also be necessary for other operating expenses to support the additional Program Specialist V FTE, and an additional \$413 in each subsequent fiscal year to support the 0.25 additional Auditor III FTE.

Based on analysis by TDHCA, the estimated amount necessary to fully fund the grant program would be \$361,900 in General Revenue per fiscal year; however, the total amount of grant funding provided would be subject to the will of the Legislature. As that amount cannot be known, it is not included in this analysis.

Technology

Based on analysis by TDHCA, the agency would require \$2,750 in fiscal year 2026 for one-time costs to purchase hardware and software for the Program Specialist V FTE and \$688 for one-time costs for the same purposes for the Auditor III FTE in fiscal year 2028.

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, SZ, GDZ, DPE