**LEGISLATIVE BUDGET BOARD**
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 28, 2025**

**TO:** Honorable Lacey Hull, Chair, House Committee on Human Services

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE:** **HB863** by Lalani (Relating to senior independent living communities; providing civil and administrative penalties.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB863, As Introduced: a negative impact of ($8,345,693) through the biennium ending August 31, 2027.

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:

| *Fiscal Year* | **Probable Net Positive/(Negative) Impact to** ***General Revenue Related Funds*** |
|---|---|
| 2026 | ($4,641,595) |
| 2027 | ($3,704,098) |
| 2028 | ($3,704,098) |
| 2029 | ($3,733,348) |
| 2030 | ($3,950,427) |

### All Funds, Five-Year Impact:

| *Fiscal Year* | **Probable Savings/(Cost) from** ***General Revenue Fund*** **1** | *Change in Number of State Employees from FY 2025* |
|---|---|---|
| 2026 | ($4,641,595) | 20.5 |
| 2027 | ($3,704,098) | 20.5 |
| 2028 | ($3,704,098) | 20.5 |
| 2029 | ($3,733,348) | 20.5 |
| 2030 | ($3,950,427) | 20.5 |

### Fiscal Analysis

The bill would require the Texas Division of Emergency Management (TDEM) to establish, maintain, and annually update a statewide database of senior independent living communities that includes a health and safety plan filed by each senior independent living community and make the database accessible to state and local emergency response and emergency management agencies for the purpose of coordinating emergency response activities and emergency management.

The bill would require TDEM to adopt rules as necessary to implement the provisions of the bill and would authorize TDEM to impose an administrative penalty on a senior independent living community that fails to file a required health and safety plan or violates a rule adopted by TDEM. The bill would make a senior independent living community that violates the provisions of the bill liable to the state for a civil penalty of not more than $1,000 for each violation.

## Methodology

TDEM does not currently have regulatory authority over any industry and would need to create a nonoperational division with full-time specialized staff, create a new IT infrastructure and database system to monitor and enforcement health and safety plans, and develop statewide education, technical assistance, compliance monitoring and enforcement programs for all senior independent living communities in the state.

Based on information provided by TDEM, it is estimated that the agency would need to hire 1.0 State Director of Program, 2.0 Regulatory/Programmatic Directors, 4.0 Outreach/Compliance/Technical Assistance Directors, 8.0 Regulatory/Programmatic Liaison, 1.0 Executive Assistant, 1.0 Information Technology Security Analyst II, 1.0 Information Technology Security Analyst III, and 2.5 Program Specialist V for a total of approximately $3.2 million per fiscal year for salaries, benefits, and other related operating expenses. Additionally, it is estimated that the agency would need approximately $2.0 million in the 2026-27 biennium for the establishment of a new IT infrastructure and database system and for motor vehicles for the FTEs tasked with technical assistance, education, and outreach across the state. Due to TDEM not having current regulatory authority, there may be additional costs that cannot be determined at this time.

Because the number of administrative and civil penalties that would be committed are unknown, the revenue impact to the state cannot be determined.

## Local Government Impact

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

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 575 Texas Division of Emergency Management, 710 Texas A&M University System Administrative and General Offices

**LBB Staff:** JMc, NPe, LBO, CPo, NV