

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 22, 2025

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1043 by Bhojani (Relating to a study by the General Land Office in partnership with a working group consisting of the Texas Department of Insurance, Department of Information Resources, and other entities on the establishment and implementation of a distributed ledger-based title registry pilot program.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1043, As Engrossed: a negative impact of (\$480,000) 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:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2026	(\$480,000)
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1
2026	(\$480,000)
2027	\$0
2028	\$0
2029	\$0
2030	\$0

Fiscal Analysis

The bill would require the General Land Office and Veterans' Land Board (GLO) to conduct a study on establishing and implementing a distributed ledger based title registry pilot program to record title transfers per identified goals and requirements in partnership with a working group consisting of representatives from counties, title insurance agents, title insurance companies, the banking industry, the Texas Department of Insurance, the Department of Information Resources, the General Land Office, and the blockchain industry.

The GLO would be required to adopt rules necessary to administer the study on a pilot program no later than October 1, 2025, and to submit a report to the Legislature on the findings of the study and any recommendations no later than January 1, 2027.

The bill would expire on September 1, 2027.

Methodology

Based upon information provided by the GLO, this analysis assumes that the cost to the GLO to conduct the study on the establishment and implementation of a distributed ledger based title registry pilot program per provisions of the bill would total \$480,000 in General Revenue Funds. The GLO indicates that it does not have a program area with the expertise or internal resources to conduct the study and as such, would need to engage a vendor partner to support the agency and working group in conducting the study. The cost estimate included above in the table in fiscal year 2026 reflects a 12-18 month engagement with an external vendor partner with the relevant legal, technical, and policy expertise in distributed ledger technologies and public sector implementation required for the study. The vendor partner would coordinate, compile, and research the necessary elements required in the study and the GLO Asset Management division would provide input and guidance on the establishment of the rules to administer the study and the submission of the legislative report.

Based on information provided by the Texas Department of Insurance and the Department of Information Resources, it is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implication to local units of government cannot be determined because costs that would be realized by participating counties due to dedicating staff resources necessary to participate in the study working group is unknown.

Source Agencies: 305 General Land Office and Veterans' Land Board, 313 Department of Information Resources, 454 Department of Insurance

LBB Staff: JMc, RStu, MW, JDio