LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 1, 2025

TO: Honorable Jay Dean, Chair, House Committee on Insurance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB1576** by Oliverson (Relating to a grant program for hurricane and windstorm loss mitigation for single-family residential property.), **As Introduced**

The fiscal implications of the bill cannot be determined due to uncertainty in the amount of participation in the grant program and due to the additional workload being commensurate to the amount of funds appropriated to be issued as grants.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would amend the Texas Insurance Code to create a new General Revenue-Dedicated Account, the Hurricane and Windstorm Mitigation Account, and require the Texas Department of Insurance (TDI) to develop and issue a grant program utilizing funds from the account to promote hurricane and windstorm loss-resistant construction for eligible residential properties.

The bill would not dedicate any revenue to the newly created Hurricane and Windstorm Mitigation Account. Therefore, any funding provided to implement the bill's provisions would be contingent on the Legislature appropriating funding for deposit to the credit of the new account and, subsequently, appropriating funding from the new account to the Texas Department of Insurance to implement the bill's provisions and support the grant program. As the amount of funding that would be appropriated is unknown and the costs associated with the bill's implementation are directly related to that funding level, the fiscal impact of the bill cannot be determined.

Based upon the analysis provided by TDI, while the workload associated with implementing the provisions of the bill cannot be determined as it would vary depending on grant participation and the amounts of funds appropriated to be used as grants, the costs associated with implementing the provisions of the bill would be significant. According to TDI, if the Legislature were to appropriate $240.0 million to support 24,000 grants in a fiscal year then the agency would require 48.0 additional full-time-equivalent positions at an approximate annual cost of $5.6 million each fiscal year to operate the new grant program with an additional one-time startup cost of approximately $14.1 million.

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.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs, 454 Department of Insurance

LBB Staff: JMc, AAL, GDZ, BFa