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FISCAL IMPACT REPORT

ORIGINAL DATE 02/13/13

SPONSOR Morales LAST UPDATED _____ HB _____

SHORT TITLE Study Low-Income Homeowner Protection Bills SM 40

ANALYST Leger

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$5.0	\$30.0	\$0.0	\$35.0	Nonrecurring	MFA General Fund *

(Parenthesis () Indicate Expenditure Decreases)

*See Fiscal Implications

SOURCES OF INFORMATION

LFC Files

Responses Received From

Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Bill

Senate Memorial 40 (SM 40) requests the Mortgage Finance Authority (MFA) to create a task force to study the likely effects of Legislation intended to protect low-income homebuyers who enter into seller-financed contracts and to help affected counties to manage their land.

FISCAL IMPLICATIONS

Based upon experience with previous task forces, the MFA estimates the impact at \$20.0, including a part-time staff person or consultant to convene and oversee the committee and potentially analyze proposed legislation and remedies, as well as funding for per diem, printed materials, and legal notices under the Public Meetings Act.

The funding would directly impact the MFA's general fund. The MFA does not receive state funding for the operations of the agency; their funding sources include federal housing programs, bond issues, etc.

SIGNIFICANT ISSUES

The MFA further states the task force to study the implications of potential laws and remedies that would protect homebuyers who enter into seller-financed contracts and assist with land management in counties affected by colonias. These potential laws and remedies would aim to prevent the proliferation of colonias and mitigate the impacts associated with colonias.

PERFORMANCE IMPLICATIONS

The MFA supports the intent of SM 40, but does not have funding to create the task force envisioned by SM 40.

TECHNICAL ISSUES

The MFA suggests the Colonias Infrastructure Board be consulted about this memorial.

JLL/svb