

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
TDHCA Governing Board Approved Draft of
10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds,
§1.407 Inventory Report
Disclaimer

Attached is a draft of proposed 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.407 Inventory Report, that was approved by the TDHCA Governing Board on June 16, 2022. The purpose of the proposed action is to release a rule amendment for public comment that clarifies the requirements for participants of the Department's CDBG-CV program relating to inventory to facilitate how this rule will be applied for the Community Resiliency Program. This document, including its preamble, is expected to be published in the July 1, 2022, edition of the *Texas Register* and that published version will constitute the official version for purposes of public comment and can be found at the following link: <https://www.sos.texas.gov/texreg/index.shtml>.

Public Comment

Public Comment Period: Start: 8:00 a.m. Austin local time on July 1, 2022
End: 5:00 p.m. Austin local time on July 22, 2022

Comments received after 5:00 p.m. Austin local time on July 22, 2022, will not be accepted. Written comments may be submitted, in hard copy or electronic formats within the designated public comment period to:

Texas Department of Housing and Community Affairs
Attn: Brooke Boston
Rules Comments
P.O. Box 13941
Austin, Texas 78711-3941
Email: brooke.boston@tdhca.state.tx.us

Those making public comment are encouraged to reference the specific draft rule, policy, or plan related to their comment as well as a specific reference or cite associated with each comment.

Please be aware that all comments submitted to the TDHCA will be considered public information.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Preamble, including required analysis, for proposed amendment to 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.407 Inventory Report

The Texas Department of Housing and Community Affairs (the Department) proposes an amendment to 10 TAC Chapter 1, Subchapter D, Uniform Guidance for Recipients of Federal and State Funds, §1.407 Inventory Report.

The purpose of the proposed amended section is to clarify requirements for participants of the Department's program relating to inventory to facilitate how this rule will be applied for the Community Resiliency Program.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed amended section would be in effect:

1. The amended section does not create or eliminate a government program but relates to changes to existing regulations applicable to Department subrecipients.
2. The amended section does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.
3. The amended section does not require additional future legislative appropriations.
4. The amended section will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.
5. The amended section is not creating a new regulation.
6. The amended section will not expand, limit, or repeal an existing regulation.
7. The amended section will not increase or decrease the number of individuals subject to the rule's applicability.
8. The amended section will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated the proposed amended section and determined that the proposed action will not create an economic effect on small or micro-businesses or rural communities. The Department has evaluated the rules and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed amended section does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6). The Department has evaluated the amended sections as to their possible effects on local economies and has determined that for the first five years the proposed amended sections would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule. Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule..." Considering that the rules pertain to all Subrecipients throughout the state, regardless of location, there are no "probable" effects of the amended rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the amended section is in effect, the public benefit anticipated as a result of the amended section would be an updated and more germane rule. There will not be economic costs to individuals required to comply with the amended sections.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the amended sections are in effect, enforcing or administering the amendment does not have any foreseeable implications related to costs or revenues of the state or local governments.

g. REQUEST FOR PUBLIC COMMENT. The public comment period will be held July 1, 2022, to July 22, 2022, to receive input on the proposed amended section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Brooke Boston, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email bboston@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, July 22, 2022.

STATUTORY AUTHORITY. The proposed amended section is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules, and adopted on an emergency basis under Tex. Gov't Code §2306.034. Except as described herein the proposed amendment affect no other code, article, or statute.

§1.407 Inventory Report

(a) The Department requires the submission of an inventory report for all Contracts to be submitted to the Department, no later than 45 days after the end of the Contract Term, or a more frequent period as reflected in the Contract. Real Property and Equipment must be inventoried and reported on the Department's required form. The form and instructions are found on the Department's website.

(b) Real property and Equipment purchased with funds under a Contract with the Department must be inventoried and reported to the Department during the Contract Term.

(c) Aggregate Supplies of over \$5,000 must be reported to the Department at the end of the Contract Term using federal form SF-428, which is a standard form to collect information related to tangible personal property or other form required by the federal fund source.

(d) For certain public facility activities funded by the Community Development Block Grant, inventory requirements will be those required by HUD for real property, as further identified in the Contract.