

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

February 26, 2003

**TO:** Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB388** by Ellis, Rodney (Relating to the use and management of certain state-owned real property.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB388, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from STATE HIGHWAY FUND 6
2004	(\$2,715,900)
2005	\$0
2006	\$0
2007	\$0
2008	\$0

**Fiscal Analysis**

The bill would partially implement the Comptrollers E-Texas Report, GG-14, relating to Use Innovative Management Techniques for State Real Property, to modernize the management of state agency owned property. The bill would require state agencies to report certain information regarding real property owned by each agency in its Legislative Appropriations Request (LAR). In addition, the bill would create the Texas Agency Infrastructure Commission to evaluate and report the number and function of state agency field offices and the colocation or closure of those offices, if appropriate. The commission may not receive compensation but would be entitled to reimbursement for travel expenses related to official state business. The commission would be staffed by the General Land Office and the Governor's Office. The commission would be abolished September 1, 2004. Finally, the bill would also create a "capital charge" which would be an amount paid to the state by a state agency based on the value of real property owned by the agency.

The bill differs from the estimated fiscal impact of GG-14 in two ways. First, GG-14 recommended reducing the appropriations to certain state agencies by an amount equal to 85 percent of the appraised

value of real estate owned by those agencies and currently approved for sale, which could generate \$38.5 million in all funds. This requirement, which must be accomplished by a rider in the General Appropriations Act, is not contemplated by this bill. Second, the estimated fiscal impact of GG-14 calculated the annual travel and per diem costs to be \$100,000 in General Revenue Funds. The bill would require these costs to be reimbursed from appropriations to the offices of the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, the Land Commissioner and the Comptroller.

**Methodology**

Several agencies responding to the fiscal note indicated no fiscal implication or no significant fiscal implication. Those agencies include the Department of Criminal Justice, Department of Public Safety, Building and Procurement, and Texas Lottery Commission. The Governor and General Land Office indicated that existing resources would be used for to staff the Commission. The Comptroller of Public Accounts indicated that the state could realize substantial savings after 2008 depending on the number of recommendations enacted by the Legislature.

The Texas Department of Transportation indicated that they would need additional resources to comply with providing information in their legislative appropriations requests, including \$2,293,500 for professional services for real property and surveys and appraisals; and \$422,400 for program development, database design, information analysis and preparation of required reports. If the reporting requirement includes right of way, an additional \$25,000,000 is requested by the department.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

- Source Agencies:**
- 301 Office Of The Governor, 303 Building And Procurement Commission, 304 Comptroller Of Public Accounts, 305 General Land Office And Veterans' Land Board, 362 Texas Lottery Commission, 405 Department Of Public Safety, 601 Department Of Transportation, 696 Department Of Criminal Justice
- LBB Staff:**
- JK, JO, GO, MS, RG