

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 4, 2005**

**TO:** Honorable Ray Allen, Chair, House Committee on County Affairs

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB2198** by Madden (Relating to commissary operation in county jails and privately operated detention facilities.), **Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated.**

The bill would amend the Local Government Code to permit a sheriff's designee, including a private vendor under contract with a county for operating a jail or detention facilities, to operate a commissary for the use of the inmates committed to the county jail or detention facility. The bill would also expand the authorized uses of funds from commissary proceeds.

Provisions of the bill would require a county sheriff or their designee, when entering into a contract for operating a commissary, to consider whether the contract should provide for a fixed rate of return combined with a sales growth incentive, among other specific criteria.

The bill would also require a sheriff in certain populated counties to use competitive purchasing procedures when making a purchase using commissary proceeds. In addition, the bill would expand applicability of certain provisions to include another county that is not currently affected by those provisions.

Current statute does not reference reviewing bids for a fixed rate of return. Also, current statute regarding purchasing procedures using commissary proceeds applies only to a county that has a population of one million or more and has two municipalities with a population of 300,000 or more, which applies only to Tarrant County. The bill would lower the population requirement for the two municipalities within the county to 200,000 or more and would add that the county is adjacent to a county with a population of one million or more, which would add Dallas County. Other existing statutory requirements regarding commissary operations that apply only to Tarrant County would also apply to Dallas County under the proposed change in statute (e.g., new bids to renew contracts would be subject to approval by the commissioners court).

The bill would take effect September 1, 2005.

**Local Government Impact**

Allowing an expanded use of commissary proceeds would provide a savings to a county by the county not having to use general revenue funds for those purposes. The savings would vary by county, depending on the county's applicable needs for which the commissary proceeds would be used and the level of proceeds received. None of the administrative changes are expected to have a significant fiscal impact.

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

**Source Agencies:** 409 Commission on Jail Standards

**LBB Staff:** JOB, DLBa