

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 28, 2005

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: **HB2217** by McCall (Relating to the management of public school land and the permanent school fund.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The bill revises statute to allow for the implementation of several of the recommendations made in a June 2004 State Auditor Office audit report on the General Land Office's (GLO) Asset Management Division including allowing the School Land Board (SLB) to set sales prices on real property and allowing the SLB to appoint fund managers to help manage real estate investments. According to the GLO, any costs associated with these revisions can be absorbed within existing agency resources.

The bill adds a cap of 15 percent to the portion of the Permanent School Fund (PSF) that may be invested in real estate. According to the GLO this cap would not hinder the agency's ability to pursue real estate investments.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 305 General Land Office and Veterans' Land Board

LBB Staff: JOB, SD, WK, ZS, JF