

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 10, 2005

TO: Honorable Joe Driver, Chair, House Committee on Law Enforcement

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

IN RE: HB2389 by Campbell (Relating to the disposition of surplus or salvage property by the Department of Public Safety to counties and municipalities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2389, As Introduced: a negative impact of (\$4,673,736) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$2,336,868)
2007	(\$2,336,868)
2008	(\$2,336,868)
2009	(\$2,336,868)
2010	(\$2,336,868)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1
2006	(\$2,336,868)
2007	(\$2,336,868)
2008	(\$2,336,868)
2009	(\$2,336,868)
2010	(\$2,336,868)

Fiscal Analysis

The bill would amend the Government Code as it relates to the disposition of surplus or salvage property by the Department of Public Safety (DPS) to counties and municipalities.

The bill would allow a county with a population of less than 150,000 and a municipality with a population of less than 100,000 to be eligible to receive DPS surplus or salvage property. Under the provisions of the bill, eligible counties and municipalities, like state agencies, would be allowed to express interest in DPS surplus or salvage property during the 10 business days after the date the property is posted on the Comptroller of Public Accounts' website. If a state agency does not coordinate with DPS for transfer of the surplus or salvage property in which the county or municipality has expressed an interest during the 10-day period, DPS would be required to transfer the surplus or salvage property to the eligible county or municipality. DPS would be prohibited from

collecting a fee or other reimbursement from a county or municipality for the transfer of surplus or salvage property.

The bill would take effect immediately if a two-thirds majority vote in both houses of the Legislature is received. Otherwise, the bill, would take effect on September 1, 2005.

Methodology

DPS reports \$1,884,669 was generated for deposit to the General Revenue Fund in fiscal year 2004 as a result of the sale of surplus or salvage property. During the first seven months of fiscal year 2005, DPS has generated \$1,363,172 or an average of \$194,739 per month from the sale of surplus or salvage property for deposit to the General Revenue Fund. DPS estimates, based on revenue generated in fiscal year 2005, the potential loss to the General Revenue Fund from the sale of surplus or salvage property would be \$2,336,868 ($\$194,739 \times 12$ months) per fiscal year.

Local Government Impact

The applicable counties and municipalities would experience a savings in obtaining property under the provisions of the bill. The savings would vary by local government and would depend on the value of and amount of surplus property the entity obtains.

Source Agencies: 303 Building and Procurement Commission, 405 Department of Public Safety

LBB Staff: JOB, KJG, VDS, SJ, LM