

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 14, 2005

TO: Honorable Geanie Morrison, Chair, House Committee on Higher Education

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

IN RE: HB2803 by Morrison (Relating to the sale of facilities of public institutions of higher education to real estate investment trusts.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill authorizes an institution of higher education to sell one or more facilities to a real estate investment trust (REIT) and then simultaneously lease back the facilities from the REIT for at least 20 years and enter into a coterminous agreement with the REIT to manage, maintain, and improve the facilities. The institution must publish notice of its intent to sell the facilities and obtain sealed written proposals. Alternatively, a REIT may directly approach an institution with an unsolicited proposal, in which event, before the institution may accept such a proposal, it must go through similar publication requirements. Institutions of higher education would implement provisions of the bill within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 758 Board of Regents, Texas State University System Central Office, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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