

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 15, 2007**

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

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

**IN RE: HB1185** by Morrison (Relating to the sale of facilities of public institutions of higher education to real estate investment trusts.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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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 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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