

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 21, 2007

TO: Honorable Patrick M. Rose, Chair, House Committee on Human Services

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

IN RE: HB1759 by Deshotel (Relating to the transfer of certain state property from the Health and Human Services Commission, the Department of State Health Services, or the Department of Aging and Disability Services to Spindletop MHMR Services.), **As Introduced**

No significant fiscal implication to the State is anticipated.

No immediate fiscal implication to the State is anticipated, however a transfer of property to a non-state entity would preclude sale of the property by the state and result in a loss of sales revenue that would have otherwise accrued to the state.

The bill would allow the Health and Human Services Commission, Department of State Health Services or the Department of Aging and Disability Services to transfer real property of the former site of the Beaumont State Center to Spindletop MHMR Services by not later than May 31, 2008.

The property would be transferred with restrictions as to use for public purposes and would contain a reversionary clause such that, if mental health and mental retardation services were not provided for a continuous period of 180 days, the property would revert to the transferring entity. If the transfer is consummated, Section 1. (b) indicates that the transfer would not obligate the entity for any debt related to the property accrued before the transfer (17 debt service payments at approximately \$36,767 per payment - total \$625,042).

It is assumed that the State would continue to make bond debt payments through the Texas Public Finance Authority until any debt is retired. All oil, gas, mineral rights and interests are to be retained by the State. The property would be conveyed by a deed without warranty that would contain restrictions and the reversionary clause.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 529 Health and Human Services Commission, 537 State Health Services, Department of, 539 Aging and Disability Services, Department of

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