

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 11, 2007

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: HB2462 by Van Arsdale (Relating to providing for the sale of certain gambling equipment seized by a law enforcement agency.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Building and Procurement Commission (TBPC) to establish a program for the sale of gambling equipment received from commissioners court. The bill would require the TBPC to sell gambling equipment only to a bona fide holder of a license or other authorization to sell, lease, or otherwise provide gambling equipment to others or to operate gambling equipment issued by an agency in another state or in a foreign jurisdiction where it is lawful for the person to possess gambling equipment for the intended purpose.

The bill would require that 50 percent of the proceeds from the sale of gambling equipment, less costs of the sale, including costs of advertising, storage, shipping, and auctioneer or broker services, and the amount of the purchasers fee collected be remitted to the commissioners court and the remainder be deposited to the credit of the General Revenue Fund.

The bill would allow commissioners court to transfer gambling equipment in the possession of the county following its forfeiture to the state to TBPC for sale in accordance with the provisions of the bill.

The bill would require that the commissioners court remit money received from TBPC from the sale of gambling equipment, less administrative expenses incurred by the county in connection with the transfer and sale of the equipment to the local law enforcement agency that originally seized the equipment. The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house or if the bill does not receive the necessary vote for immediate effect, the bill would take effect September 1, 2007.

TBPC currently has the Surplus Property Program, which is a cost-recovery program and it is assumed that the costs to include the sale of gambling equipment received from a commissioners court can be absorbed with existing resources.

The state could see some gains from the sale of forfeited gambling equipment, but these revenues are dependent on the number of machines seized at the county level and transferred to TBPC for sale and the amount of the proceeds received from the sale of gambling equipment.

Local Government Impact

Counties could see some gains from the sale of forfeited gambling equipment, but these revenues are dependent upon the frequency of situations in which such equipment is seized and the amount of the proceeds of the sale of the confiscated equipment. The gains are not expected to be significant.

Source Agencies: 303 Building and Procurement Commission

LBB Staff: JOB, JRO, EP, KJG