

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 8, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB2618 by Guillen (Relating to authorizing political subdivisions to lease property owned by the political subdivision to other governmental entities without following competitive purchasing procedures.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to authorize a political subdivision, for promoting a public purpose, to lease property owned by the political subdivision or to provide office space in property owned by the political subdivision to another governmental entity. The lease of property or provision of office space could be at less than fair market value.

Local Government Impact

The political subdivision leasing its property or providing office space would experience a revenue gain that could offset costs associated with maintaining the property or office space. If a lease is entered into for less than fair market value, the governmental entity that is the lessee would experience a savings in leasing property or office space at below market value.

Source Agencies:

LBB Staff: JOB, DB