

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 19, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB1096 by Vo (Relating to the provision of notice regarding the availability of higher education textbooks through multiple retailers.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill relates to the provision of notice regarding the availability of higher education textbooks through multiple retailers. The Texas Higher Education Coordinating Board would be required to develop procedures requiring each institution of higher education to provide all enrolled students a written notice regarding the availability of textbooks through retailers other than university-affiliated bookstores. The notices would be required to be sent out in hard copy format prior to, and at the beginning of, each semester and would specify that students are not obligated to purchase textbooks from the university-affiliated bookstores. The bill would be effective in the 2009 fall semester and would take effect immediately if it receives a vote of two-thirds of all members elected to each house. Otherwise, the bill would take effect September 1, 2009.

Texas institutions of higher education report the possibility of an indirect loss of institutional funds resulting from this legislation. First, university-affiliated bookstore sales could be reduced by the promotion of alternative textbook sellers, resulting in a loss of shared-revenue by the university. The actions required by this bill could also potentially cause a university to compromise an exclusivity agreement with a bookstore operator, resulting in contractual fines.

This analysis assumes the bill would receive the two-thirds vote necessary to take effect immediately in order for the provisions of the bill to be effective in the 2009 fall semester.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

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