

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 28, 2009

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

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

IN RE: HB3632 by Geren (Relating to the authority of the state to acquire, sell, or exchange certain land.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3632, As Passed 2nd House: a positive impact of \$1,421,004 through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$707,926
2011	\$713,078
2012	\$712,962
2013	\$712,962
2014	\$712,962

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$63,050)	\$770,976	1.0
2011	(\$57,898)	\$770,976	1.0
2012	(\$58,014)	\$770,976	1.0
2013	(\$58,014)	\$770,976	1.0
2014	(\$58,014)	\$770,976	1.0

Fiscal Analysis

The bill would authorize the Land Commissioner to accept grants, gifts, devises, or bequests, either absolutely or in trust, of money or real of personal property on behalf of the state in accordance with Natural Resources Code, Section 31.158. Proceeds of the sale would be deposited to the Texas Farm and Ranch Lands Conservation (FRLC) Fund established under Natural Resources Code, Chapter 183.

The bill would implement recommendations in the report, "Optimize the Use of State Parking Facilities," in the LBB *Government Effectiveness and Efficiency Report* submitted to the Eighty-First Texas Legislature, 2009.

The bill would expand the Texas Facilities Commission's (TFC) authority related to the operations of state-owned parking lots and garages. The bill would authorize the Commission to lease individual excess parking spaces in Austin to individuals. The bill would also authorize the Commission to lease an entire parking facility, or a significant part of a facility, to an institution of higher education or local

government in Austin. The bill would direct revenue received from the leasing operations to be deposited to the general revenue fund. The bill would require the Commission to report biennially on the effectiveness of these lease operations.

The bill would require the Texas Department of Transportation (TxDOT) to transfer to Polk County certain real property. Polk County would be required to pay an amount to reimburse TxDOT for the department's actual costs to acquire the property provided that the county uses the property only for a purpose that benefits the public interest of the state. If Polk County uses the property for a purpose that does not benefit the public interest of the state, the county would be required to pay TxDOT an amount equal to the fair market value of the property on the date the county begins using the property for a purpose that does not benefit the public interest. Money received from the transfer would be required to be deposited into the State Highway Fund and to be used in the TxDOT district in which the property is located. TxDOT would retain custody of the instrument of transfer after it is filed in the real property records of Polk County. The county would be required to pay any transaction fees resulting from the transfer of property.

Methodology

The LBB estimates that implementing the provisions of the bill relating to parking facilities would result in revenue of \$770,796 per year to the General Revenue Fund. This estimate is based on leasing 40 percent of the estimated currently available excess parking spaces in the Capitol Complex to individuals at \$50 per month. Because the exact implementation (number of parking spaces to be leased and the contract lease rate to be applied) is currently unknown, the Comptroller of Public Accounts cannot provide a certifiable revenue estimate at this time. Changes in the implementation of the program from the assumptions made above will alter projected revenue.

The implementation of a program to lease specific parking spaces to individuals would require the Texas Facilities Commission (TFC) to hire an additional employee due to the quantity of leases involved. The additional employee would cost \$63,000 in fiscal year 2010 and \$58,000 in fiscal year 2011 out of the General Revenue Fund, for a biennial cost of \$121,000. The TFC could manage the lease of entire parking facilities, or segments of parking facilities, with existing resources due to the limited number of opportunities.

This estimate assumes that the General Land Office (GLO) would likely receive revenue into the FRLC Fund due to the sale and disposition of property. The actual amount of revenues and expenditures from the FRLC in 2011-15 would vary and depend on the number of grants, gifts, devises, or bequests given to the state under the FRLC program and the value of such lands. This estimate does not assume that the amounts would be significant. In addition, this estimate assumes that costs to the GLO associated with setting up the program, preparing for acquisitions and dispositions could be absorbed using existing GLO resources.

Regarding the bill's provisions relating to the transfer of property from TxDOT to Polk County, TxDOT reports that the 10.549 acres of land described in the bill was originally acquired for \$13,773, with Polk County contributing 10 percent of the cost; therefore, the net cost to the state was \$12,396. According to the TxDOT Lufkin District's estimate, the current market value of the land is between \$600,000 and \$815,000. Therefore, if Polk County were to use the land to benefit the public interest, the state would receive \$12,396 for deposit into the State Highway Fund; otherwise, the county would be required to pay between \$600,000 and \$815,000.

Local Government Impact

The bill could result in Polk County being required to pay between \$600,000 and \$815,000 if the county would not use the land being transferred from TxDOT for a public purpose.

Source Agencies: 303 Facilities Commission, 304 Comptroller of Public Accounts, 347 Public Finance Authority, 601 Department of Transportation

LBB Staff: JOB, SD