

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 31, 2009**

**TO:** Honorable Dan Branch, Chair, House Committee on Higher Education

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

**IN RE: HB4304** by Hilderbran (Relating to the granting or renewal of certain easements on or leases of certain university land.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4304, As Introduced: an impact of \$0 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	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue (Loss) from <i>Available University Fund</i> 11
2010	(\$860,000)
2011	(\$860,000)
2012	(\$860,000)
2013	(\$860,000)
2014	(\$860,000)

**Fiscal Analysis**

This bill would cap the privilege fee charged for easements on (or lease of) PUF-owned lands for new or existing electric and/or telephone facilities.

**Methodology**

The University of Texas System estimates that capping the privilege fee at 2.5 cents per lineal rod would result in a net surface income revenue loss of approximately \$860,000 per year. Since net surface income earned on University Lands is part of the total annual Available University Fund ("AUF") allocation, reductions in this net surface income would result in an equivalent reduction of AUF funds.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 305 General Land Office and Veterans' Land Board, 720 The University of Texas System Administration

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