

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 4, 2011

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

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

IN RE: HB537 by Brown (relating to fair treatment of all providers of instructional materials to students enrolled at public institutions of higher education.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>

The bill prohibits institutions of higher education from granting preference to any providers of instructional materials during student orientation or as part of a program for repurchasing instructional materials from students.

This analysis assumes that any costs associated with implementing the bill's provisions could be met with existing resources. Texas institutions of higher education report the possibility of an indirect loss of institutional funds resulting from this legislation, due to reduced income from university affiliated bookstores. The actions required by this bill could also cause a university to compromise an exclusivity agreement with a university-affiliated bookstore operator, resulting in contractual fines or lost revenue.

The bill's provisions would apply to a semester or term that begins after the effective date. The bill would not affect the terms of a contract executed prior to the effective date. The bill would take effect immediately upon receiving a two-thirds vote in each house, otherwise taking effect September 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 758 Texas State University System, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration

LBB Staff: JOB, KK, RT, GO, KY