

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 1, 2011**

**TO:** Honorable Bill Callegari, Chair, House Committee on Government Efficiency & Reform

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

**IN RE: HB682** by Brown (Relating to leasing advertising space on state agency Internet websites.),  
**As Introduced**

There is an indeterminate fiscal impact to the state from the provisions of this bill due to the unknown nature of current advertising demand and the applicable fee schedules to be set.

HB 682 would amend Government Code to allow executive branch state agencies, excepting institutions of higher education, to lease advertising space on official state internet websites. The bill requires the Department of Information Resources (DIR) to adopt rules governing the application of this bill, including setting fee schedules and determining the amount of revenue an agency can retain to cover related administrative costs.

The Comptroller of Public Accounts cannot estimate a fiscal impact to the state because the demand for website advertising space and the fee schedules for leasing state advertising space (which would be set by rule) are currently unknown.

DIR, whom the bill authorizes with responsibility for setting fee schedules and administering related operating rules, estimates that the state would realize estimated gains to General Revenue of \$4.3 million per year, after reductions are taken for related administrative expenses. This estimate is based on actual viewership statistics of the state's Texas.gov website and survey statistics from across a range of other state domain websites, and assumes that all agency costs would be covered by allowed administrative fees.

Federal General Service Administration guidelines prohibit advertising on .gov internet domains. In the past year several state websites have been migrated from the state's domain (.state.tx.us) to a .gov domain, including the state's primary website ([www.texas.gov](http://www.texas.gov)) and the internet addresses for the Texas Department of Transportation ([www.txdot.texas.gov](http://www.txdot.texas.gov)). The federal restriction to advertising on these two websites was included in the DIR estimate above. An additional 50 state agencies are in the process of migrating their online presence to .gov domains and, under current federal guidelines, would not be able to participate in an internet advertising program. The potential impact of these ongoing transfers was not factored into DIR's estimate above.

**Local Government Impact**

No fiscal impact to local governmental entities is anticipated from implementation of HB 682.

**Source Agencies:** 301 Office of the Governor, 304 Comptroller of Public Accounts, 313 Department of Information Resources, 454 Department of Insurance, 529 Health and Human Services Commission, 601 Department of Transportation, 802 Parks and Wildlife Department

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