

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 26, 2011

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

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

IN RE: HB2004 by Bonnen (Relating to the sale of certain state property in Brazoria County by the Texas Board of Criminal Justice.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2004, As Passed 2nd House: a positive impact of \$5,500,000 through the biennium ending August 31, 2013.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$5,500,000
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Appropriated Receipts</i> 666
2012	\$5,500,000	(\$700,000)
2013	\$0	(\$700,000)
2014	\$0	(\$700,000)
2015	\$0	(\$700,000)
2016	\$0	(\$700,000)

Fiscal Analysis

The bill would require the Texas Board of Criminal Justice to sell property in Brazoria County through the General Land Office if the Board receives a bid of at least \$5.5 million. The sale would exclude the mineral interests in and under the property, and the deed shall contain a provision expressly reserving the state's interest in and right to remove all oil, gas, and other minerals in and under the real property.

Methodology

The General Land Office estimates a one-time General Revenue gain of \$5.5 million for the sale of the property. The Department of Criminal Justice estimates a loss of \$700,000 in agricultural receipts (Appropriated Receipts) per fiscal year as the result of a reduction in the production of cotton, grain, field crops, edible crops, and cattle.

Technology

No impact to technology is anticipated.

Local Government Impact

Assuming a sale to a non-state entity, the bill could result in additional local property tax revenue to the benefit of Brazoria and possibly municipal authorities having jurisdiction over all or a portion of the property addressed in the bill. The GLO has not determined an amount for the potential property tax revenue.

Source Agencies:

LBB Staff: JOB, ESi, KM, GG, AI