

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

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

**April 10, 2011**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Land & Resource Management

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

**IN RE: HB2969** by Oliveira (Relating to authorizing the sale of certain real property held by certain state agencies.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2969, As Introduced: a positive impact of \$26,839,368 through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2012        | \$6,228,184  |
| 2013        | \$20,611,184   |
| 2014        | \$2,780,184  |
| 2015        | (\$48,816)   |
| 2016        | (\$48,816)   |

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

| Fiscal Year | Probable Revenue Gain/(Loss) from<br><i>General Revenue Fund</i><br>1 | Probable Savings/(Cost) from<br><i>State Highway Fund</i><br>6 |
|-------------|---|--|
| 2012        | \$6,228,184   | (\$10,073,741)   |
| 2013        | \$20,611,184  | (\$13,421,781)   |
| 2014        | \$2,780,184   | \$0  |
| 2015        | (\$48,816)  | \$0  |
| 2016        | (\$48,816)  | \$0  |

**Fiscal Analysis**

The bill would direct the General Land Office to offer certain state property for sale not later than August 31, 2013. The specific properties cited are currently held by the following agencies: Texas Department of Criminal Justice; Texas Department of Transportation; Texas Facilities Commission; Health and Human Services Commission; Parks and Wildlife Department; and the Texas Workforce Commission. The bill conditions the offer of Texas Department of Transportation and Texas Workforce Commission properties on those agencies vacating the properties. The bill directs all proceeds from the sale of identified properties to be deposited to the credit of the general revenue fund.

The bill would take effect September 1, 2011.

## Methodology

This analysis assumes property sale values based on current General Land Office (GLO) property evaluation appraisals. GLO reports that the properties would be re-appraised prior to being placed for sale to determine their market value at the time of offer and anticipates that some properties could require a market value reduction due to the condition of the existing structures.

Texas Workforce Commission properties are owned by the federal government and proceeds from the sale of such land would be due to the U.S. Department of Labor. The state would realize no gain from the sale of these properties, estimated to be \$2.4 million. This amount is not included in the tables shown above.

The Texas Public Finance Authority reports that two of the listed properties, the Marlin Robert E. Lee and Wortham Twin Circle Group Homes, remain subject to land use and sale restrictions created by the use of tax-exempt bonds to finance the facilities. To avoid a conflict with the existing bond restrictions these properties could be sold no sooner than September 30, 2011.

Current use of the Service Station, Marlin Robert E. Lee Group Home and Wortham Twin Circle Group Home result in minor annual revenue gains for the owner agencies. The annual revenue loss from sale of these properties is included in the table above.

The Department of Transportation reports that sale of the Bull Creek Camp Hubbard Annex would require the agency to expand their campus in Cedar Park to house the existing Bull Creek operations. The sale would also require the construction of additional parking facilities for the Camp Hubbard facility. The cost of these projects are included in the table above as State Highway Fund costs.

## Local Government Impact

The transition of any of these properties from government use to private use would allow local government entities in the related areas to begin collecting property tax on the value of the properties. The amount of local tax collection increases cannot be determined as it would depend on various local property tax rates and the final appraised value of the property resulting from a non-governmental use.

**Source Agencies:** 303 Facilities Commission, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 320 Texas Workforce Commission, 347 Public Finance Authority, 529 Health and Human Services Commission, 537 State Health Services, Department of, 539 Aging and Disability Services, Department of, 601 Department of Transportation, 696 Department of Criminal Justice, 802 Parks and Wildlife Department

**LBB Staff:** JOB, SZ, JI, KY, TB, AI