

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 28, 2011

**TO:** Honorable John Davis, Chair, House Committee on Economic & Small Business Development

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

**IN RE: SB1048** by Jackson (Relating to the creation of public and private facilities and infrastructure.), **As Engrossed**

**There would be an indeterminate fiscal impact to the state from the provisions of the bill.**

The bill would amend the Government Code to create the authority and processes for the execution of public-private agreements for the development of qualifying public works projects, including: mass transit facilities; hospitals; schools; recreational facilities; and public buildings. The provisions would not apply to state highway system projects, projects undertaken by a transportation authority, or telecommunications infrastructure other than technology installed as part of a qualifying project. The bill would apply to state agencies, institutions of higher education electing to participate, and local governments electing to participate, including school districts. The bill sets provisions for the identification and review of qualifying projects, requirements for contractual agreements between private parties and governmental entities involved in the development of a qualifying project, and creates a legislative commission to provide oversight to enacted qualifying projects.

The number of potential public-private project proposals that would be received from interested persons and the number of projects that would result in enacted agreements are unknown and cannot be estimated. Because of these variables, agencies are unable to estimate the potential fiscal impact to the state. Agencies noted that a large number of enacted agreements, or receipt of large numbers of project proposals, would result in the need for additional staff to review, manage, and oversee the processes required by the bill.

The level or amount of private involvement in the anticipated projects cannot be estimated at this time; therefore, potential savings to the state cannot be calculated.

This analysis assumes that any costs associated with the bill's creation of a Partnership Advisory Commission could be met with existing resources. The bill would take effect September 1, 2011.

### Local Government Impact

There would be an indeterminate fiscal impact to units of local government from the provisions of the bill.

**Source Agencies:** 304 Comptroller of Public Accounts, 405 Department of Public Safety, 103 Legislative Council, 303 Facilities Commission, 305 General Land Office and Veterans' Land Board, 313 Department of Information Resources, 347 Public Finance Authority, 473 Public Utility Commission of Texas, 477 Commission on State Emergency Communications, 529 Health and Human Services Commission, 696 Department of Criminal Justice, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 802 Parks and Wildlife Department, 808 Historical Commission

**LBB Staff:** JOB, AG, JI, KY, SD