

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 27, 2011

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

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

IN RE: SB1068 by Ellis (Relating to the lease of certain state parking facilities to other persons.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1068, As Engrossed: a positive impact of \$1,647,130 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) Impact to General Revenue Related Funds
2012	\$823,065
2013	\$824,065
2014	\$824,065
2015	\$824,065
2016	\$824,065

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2011
2012	(\$64,406)	\$887,471	1.0
2013	(\$63,406)	\$887,471	1.0
2014	(\$63,406)	\$887,471	1.0
2015	(\$63,406)	\$887,471	1.0
2016	(\$63,406)	\$887,471	1.0

Fiscal Analysis

The bill would implement recommendations from the report, "Optimize the Use of State Parking Facilities," in the Legislative Budget Board's (LBB) *Government Effectiveness and Efficiency Report* submitted to the Eighty-Second Texas Legislature, 2011.

The bill would expand the Texas Facilities Commission's (TFC) authority related to the operations of state-owned parking lots and garages by authorizing TFC to lease excess parking spaces, those not used by state employees, to public motorists. The bill would also authorize TFC to lease an entire parking facility, or a significant part of a facility, to an institution of higher education or local government. The bill would direct revenue received from leasing operations to be deposited to the General Revenue Fund.

The bill would require TFC to report biennially on the use and effectiveness of parking lease operations. The bill would take immediate effect upon receiving two-thirds vote in both houses, otherwise taking effect September 1, 2011.

Methodology

The LBB estimates that implementing the provisions of the bill would result in revenue of \$887,471 per year. This estimate is based on leasing 40 percent of the estimated currently available excess parking spaces in the Capitol Complex to individual motorists at rate of \$50 per month. Because the exact implementation conditions (number of parking spaces to be leased and the contract lease rate to be applied) is currently unknown, the Comptroller of Public Accounts was unable to provide a certifiable revenue estimate.

Changes in the implementation of the program from the assumptions made above will alter projected revenue. For example, if demand is sufficient to support charging a higher monthly rate, additional revenues would be generated.

The implementation of a program to lease specific parking spaces to individuals would require TFC to hire an additional employee due to the quantity of leases involved. TFC reports an additional employee and equipment would cost \$64,406 in General Revenue Funds in fiscal year 2012 and \$63,406 in General Revenue Funds in fiscal year 2013, for a biennial cost of \$127,812. This cost estimate includes payments for employee benefits. TFC could manage the lease of entire parking facilities, or segments of parking facilities, within existing resources due to the limited number of opportunities for such a program.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Facilities Commission, 304 Comptroller of Public Accounts, 347 Public Finance Authority, 405 Department of Public Safety

LBB Staff: JOB, KJG, KM, JI, KY, EP