

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 22, 2011

TO: Honorable Eddie Lucio Jr., Chair, Senate Committee on International Relations & Trade

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

IN RE: SB1809 by Lucio (Relating to a study by the comptroller of public accounts of the economic impact of the Texas-Mexico border wall in the State of Texas.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1809, Committee Report 1st House, Substituted: a negative impact of (\$556,000) 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 | (\$373,000) |
| 2013 | (\$183,000) |
| 2014 | \$0 |
| 2015 | \$0 |
| 2016 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from General Revenue Fund 1 |
|--------------------|--------------------------------------------------------------------|
| 2012 | (\$373,000) |
| 2013 | (\$183,000) |
| 2014 | \$0 |
| 2015 | \$0 |
| 2016 | \$0 |

Fiscal Analysis

The bill would require the Comptroller of Public Accounts (Comptroller) to conduct a study of the economic impact of the installation of the border wall near the Texas-Mexico border on the state, local governments, business, families, and individuals. The bill would require the Comptroller, in completing the study, to focus on the effects of the installation of the wall on the businesses, families, and individuals who own or operate on land that falls between the international boundary and the border wall; and analyze each parcel of land that falls between the international boundary and wall and each business that operates on the land. The bill would require a state agency or local government to provide information and assistance for the study upon request by the Comptroller. The Comptroller would provide updates on the progress of the study as requested at interim committee hearings of the House Committee on Border and Intergovernmental Affairs and the Senate Committee on

International Relations and Trade. The Comptroller would be required to submit the results of the study not later than December 1, 2012 to the Lieutenant Governor, Speaker of the House of Representatives, and the presiding officers of the House Committee on Border and Intergovernmental Affairs and the Senate Committee on International Relations and Trade.

The bill would direct the Comptroller to seek gifts, grants, and donations to fund the study if no appropriation or insufficient appropriation was made for this purpose.

The bill would expire January 1, 2013.

Methodology

According to analysis by the Comptroller's office, the costs of conducting a study on the economic impact of the Texas-Mexico border wall are anticipated to be \$556,000. Costs would include a contract for analysis, on-site inspections, and interviews. In addition, the agency would leverage additional external resources such as university-based experts, surveys, and other analytical processes into the final report.

In fiscal year 2012, the project would include costs for multiple visits to the border area, primary analysis, as well as assistance from outside entities in coordinating and calculating property assessments and surveys of local property and business owners. The study would conclude in fiscal year 2013 with follow-up visits and interviews and finalization of the report.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, KM, MS, LCO