

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 17, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2261 by Reynolds (Relating to the preference given by state agencies for certain goods and services produced or offered by small businesses.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time due to the unavailability of data comparing pricing structures for small as compared to large businesses.

The bill would amend the Government Code, Chapter 2155 to require the Comptroller of Public Accounts and other state agencies using contracts to purchase goods or services with a value of less than \$500,000 to give preference to small businesses.

The change in law made by the bill applies only to a contract for goods or services that is entered into on or after the effective date of the bill. The bill takes effect September 1, 2013.

It is assumed that costs for the Comptroller and the Department of Information Resources (DIR) to develop statewide contracts with small businesses for goods and services for procurement by state entities could be absorbed within existing resources. However, both the Comptroller and DIR indicate that the fiscal impact for statewide purchasing cannot be estimated due to the uncertainty of prices offered by small business for goods and services. It is also unclear as to what constitutes giving "preference" with regards to purchasing or contracting.

The Department of Public Safety and the Texas Department of Criminal Justice anticipate any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 601 Department of Transportation, 696 Department of Criminal Justice

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