

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 2, 2013

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB3217** by Price (Relating to authorizing certain real property transactions involving the Department of Public Safety of the State of Texas.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3217, As Introduced: a negative impact of (\$3,352,293) through the biennium ending August 31, 2015.

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
2014	\$0
2015	(\$3,352,293)
2016	(\$2,610,212)
2017	(\$2,685,111)
2018	(\$2,762,257)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2014	\$0	\$0
2015	(\$4,659,295)	\$1,307,002
2016	(\$2,610,212)	\$0
2017	(\$2,685,111)	\$0
2018	(\$2,762,257)	\$0

Fiscal Analysis

The bill would direct the General Land Office (GLO) to offer to sell certain real property currently used by the Department of Public Safety (DPS) at fair market value to Randall County. The bill would direct that the GLO deposit the property sales proceeds into a dedicated account in the General Revenue Fund that may be used only for the purpose of constructing, purchasing, or

leasing a new facility for the Amarillo office of DPS. The bill would also authorize DPS to enter into a build-to-suit lease agreement in Randall County for a new district headquarters, crime lab and driver's license office facility. The bill would take effect September 1, 2013.

## **Methodology**

This estimate assumes that the provisions of the bill would be supported by General Revenue. While there are portions of this project that would likely be allowable uses of Fund 6, that is not the case for the entire project. At such time as a determination is made of what portion of the project would appropriately be funded with Fund 6, the General Revenue costs would be reduced proportionally.

The Department of Public Safety's (DPS) estimated costs are based on the following assumptions starting in fiscal year 2015: utility costs will be \$113,592 per year; rent costs will be \$2,423,903 in fiscal year 2015, \$2,496,620 in fiscal year 2016, \$2,517,519 in fiscal year 2017, and \$2,648,665 in fiscal year 2018; and a one-time capital expenditure of \$2,121,800 for build-to-suit costs and equipment in fiscal year 2015.

DPS estimates a probable gain in revenue of \$1,307,002 in fiscal year 2015 from the sale of the existing DPS facility to Randall County. This fiscal notes uses this estimated sales revenue to offset the cost of the bill.

## **Technology**

No significant technology-related impact is anticipated.

## **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 405 Department of Public Safety

**LBB Staff:** UP, AG, AI, JAW, TL