

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 21, 2015

TO: Honorable Gary Elkins, Chair, House Committee on Government Transparency & Operation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB470 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 lack of data comparing pricing structures for small as compared to large businesses and uncertainty as to what constitutes giving "preference" to small businesses.

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

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, based on the analysis of the Comptroller, DIR, and Texas Department of Transportation (TxDOT), the fiscal impact cannot be estimated due to the uncertainty of prices offered by small business for goods and services and what constitutes giving "preference" with regards to purchasing or contracting.

The Facilities Commission, Department of Criminal Justice, and Parks and Wildlife Department 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: 303 Facilities Commission, 304 Comptroller of Public Accounts, 313 Department of Information Resources, 601 Department of Transportation, 696 Department of Criminal Justice, 802 Parks and Wildlife Department

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