

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 23, 2025

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1012 by Kolkhorst (relating to authorizing the sale or lease by the State of Texas of certain real property located in Austin, Texas.), **Committee Report 1st House, Substituted**

The fiscal implications of the bill would have an indeterminate revenue gain to the state because the timing of the sales or leases and the amount of proceeds that would be received are unknown. In addition, the Health and Human Services Commission estimates there may be a savings of \$327,000 in All Funds each fiscal year related to the discontinuation of utilities, security, groundskeeping, and other maintenance and upkeep costs related to the property in addition to revenue gained from the property leases.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would authorize the sale or lease of certain real property held by the State of Texas located in the City of Austin. The real property as described in the bill includes (1) 20.3127 acres, more or less, located at 4400 Shoal Creek Boulevard in Austin, Travis County, Texas, and (2) approximately 7.5 acres adjoining the south right of way line of West 45th Street and the East right of way line of Lamar Boulevard located in Austin, Travis County, Texas. The bill would require the General Land Office (GLO) to offer to sell or lease the property at 4400 Shoal Creek Boulevard in Austin, Travis County, Texas, under Section 31.158, Natural Resources, Code as soon as practicable after September 1, 2025, the effective date of the bill.

The bill would require the sale or lease of the property at 4400 Shoal Creek Boulevard in Austin, Travis County, Texas, to be contingent upon the construction and occupation of an alternative state records facility that replaces the facility being operated on the property by the Texas State Library and Archives Commission. The bill would also create a new dedicated account in the General Revenue Fund, to be known as the Bicentennial Texas State Library and Archives Commission fund, which would be used for capital improvements to the Sam Houston Regional Library and Research Center and the Lorenzo de Zavala State Archives and Library Building, and to make original source materials more accessible to the public. The GLO would conduct the sale or lease and deposit the proceeds in the newly established General Revenue-Dedicated Bicentennial Texas State Library and Archives Commission Fund.

The one or more leases of the property including approximately 7.5 acres adjoining the south right of way line of West 45th Street and the East right of way line of Lamar Boulevard located in Austin, Travis County, Texas, would be negotiated and executed by the Health and Human Services Commission (HHSC) under Section 533.087 of the Health and Safety Code. The bill would require that the lease(s) must provide for HHSC's approval and restriction of the lessee's proposed use of the property and grant HHSC easements to the HHSC's properties adjacent to the leased properties. Proceeds from a lease would be deposited into General Revenue Account 0543 - Texas Capital Trust for the benefit of the HHSC.

According to the HHSC, the revenue gain to the state cannot be determined at this time as the final lease price would depend on multiple fluid factors. In addition, HHSC estimates there may be a savings of \$327,000 in All Funds each fiscal year related to the discontinuation of utilities, security, groundskeeping, and other maintenance and upkeep costs related to the property in addition to revenue gained from the property leases.

According to the Comptroller of Public Accounts (CPA), the fiscal impact to the state would be an indeterminate revenue gain because the timing of the sales or leases and the amount of proceeds that would be received are unknown.

Based on information provided by the General Land Office and Veterans' Land Board, the Texas State Library and Archives Commission and the CPA, it is assumed that any costs associated with the bill could be absorbed using existing resources.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 306 Library & Archives Commission, 529 Health and Human Services Commission

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