

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 23, 2011

TO: Honorable Mike Jackson, Chair, Senate Committee on Economic Development

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

IN RE: SB1048 by Jackson (Relating to the creation of public and private facilities and infrastructure.), **As Introduced**

There would be an indeterminate fiscal impact to the state from the provisions of the bill.

The bill would expand Government Code to create the authority and processes for the execution of public-private agreements for the development of qualifying public works projects, including: mass transit facilities; transmission and distribution systems; hospitals; schools; recreational facilities; public buildings; and technology infrastructure, services, and applications. The provisions would not apply to state highway system projects or projects undertaken by a transportation authority but would apply to other state agencies, institutions of higher education, and local governments, including school districts. The bill sets provisions for the identification and review of qualifying projects, requirements for contractual agreements between private parties and governmental entities involved in the development of a qualifying project, and creates a legislative commission to provide oversight to enacted qualifying projects. The bill would take effect September 1, 2011.

The number of potential public-private project proposals that would be received from interested persons and the number of projects that would result in enacted agreements are unknown and cannot be estimated. Because of these variables, agencies are unable to estimate the potential fiscal impact to the state. Agencies noted that a large number of enacted agreements, or receipt of large numbers of project proposals, would result in the need for additional staff to review, manage, and oversee the processes required by the bill.

The bill would require the Comptroller of Public Accounts to periodically review agreements entered into by governmental entities for compliance with the bill's provisions. The Comptroller reported that this task would require a staffing increase of two full-time employees and a one-time technology cost for the programming of related computer systems.

The level or amount of private involvement in the anticipated projects cannot be estimated at this time; therefore, potential savings to the state cannot be calculated.

This analysis assumes that any costs associated with the bill's creation of a Partnership Advisory Commission could be met with existing resources.

Local Government Impact

There would be an indeterminate fiscal impact to units of local government from the provisions of the bill.

Source Agencies: 103 Legislative Council, 303 Facilities Commission, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 313 Department of Information Resources, 347 Public Finance Authority, 473 Public Utility Commission of Texas, 477 Commission on State Emergency Communications, 529 Health and Human Services Commission, 696 Department of Criminal Justice, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 802 Parks and Wildlife Department, 808 Historical Commission

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