

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6323**

**BILL NUMBER: SB 113**

**NOTE PREPARED: Nov 27, 2005**

**BILL AMENDED:**

**SUBJECT:** Review of Privatization Plans.

**FIRST AUTHOR:** Sen. Lanane

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill requires a state agency to develop a privatization plan before privatizing any state program. The bill requires a state agency to hold a hearing on the plan and report the results of the hearing to the public and the Budget Committee. It requires the Budget Committee to review privatization plans before implementation and to make advisory recommendations to the Governor.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** This bill should have minimal fiscal impact. The vast majority of the requirements falling under the state agency's responsibilities are currently completed during contract procurement processes. Agencies should be able to collect any additional information required by the provisions of the bill within the existing level of resources available to the agency.

The bill would require the Budget Committee to review the privatization plan and the findings of a hearing held by the state agency pertaining to the privatization plan. The Budget Committee is then required to make an advisory recommendation to the Governor concerning the proposed privatization. The bill requires the Governor to approve or disapprove the privatization plan. The provisions of this bill could increase the workloads of both the Budget Committee and Governor minimally.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** All state agencies.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Sarah Brooks, 317-232-9559.