

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 9, 2003**

**TO:** Honorable Talmadge Heflin, Chair, House Committee on Appropriations

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB3175** by Pitts (Relating to the authority of the comptroller of public accounts to manage cash flow by transferring available cash between funds in the custody or under the management of the comptroller; making an appropriation.), **Committee Report 1st House, As Amended**

**No fiscal implication to the State is anticipated in the 2004-05 biennium.**

The bill would authorize the Comptroller to borrow certain funds managed by or in the custody of the Comptroller, including funds held outside the state treasury. The borrowing would be done in order to prevent temporary cash flow deficiencies in the general revenue fund.

The bill would also appropriate to the Comptroller from the general revenue fund for the 2004-05 biennium amounts necessary to return the transferred cash and maintain the equity of funds from which transfers are made in the 2004-05 biennium. There is no corresponding appropriation in the bill to return amounts transferred in fiscal year 2003.

Regardless of the period such funds are borrowed, interest is credited to the funds as if the borrowing did not take place.

If the Comptroller submits a revenue estimate while cash transferred under this provision is in the general revenue fund, the Comptroller is required to indicate that the transferred revenue is not available for appropriation except to repay the fund from which it was transferred.

**Local Government Impact**

It is possible that some of the money borrowed from outside the treasury would be local government revenue such as local government sales tax revenue. The bill appropriates general revenue to repay the borrowing in fiscal years 2004 and 2005. For amount borrowed in other fiscal years, the impact on local governments would depend on legislative appropriations to repay any amounts borrowed from local governments funds held by the Comptroller.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JK, JO, SD, WP, RS