

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 25, 2007

TO: Honorable Burt R. Solomons, Chair, House Committee on Financial Institutions

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

IN RE: HB2709 by Isett, Carl (Relating to the deposit of certain public funds with federally insured financial institutions.), **Committee Report 1st House, Substituted**

<p>The fiscal impact of this bill cannot be estimated because any difference in investment returns pursuant to the change provided by this bill cannot be predicted.</p>
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The bill would amend Chapter 2256 of the Government Code relating to the deposit of certain public funds.

The bill would amend Section 2256.010 to include "insured deposit accounts" to the list of authorized investments for a local government, a state agency, a nonprofit corporation acting on behalf of a local government or a state agency, or an investment pool acting on behalf of two or more local governments.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2007.

The Comptroller's Office could quantify an the fiscal implications of the bill.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, CT