

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 13, 2007

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

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

IN RE: HB3003 by Christian (Relating to the investment of public funds in ways that benefit the state and local economies and to the selection of local financial institutions for the deposit of public funds.), **As Introduced**

Because the difference in returns for investments, those that would be affected by this bill and those that would replace them, the fiscal impact of the bill cannot be estimated at this time.

The bill would add sections to the Government Code and the Local Government Code relating to the investment of public funds to benefit Texas.

Under the bill, the Comptroller's state treasury operations, local governments, state agencies, nonprofit corporations acting on behalf of a local government or a state agency, and investment pools acting on behalf of two or more local governments would have to compare potential investments to determine which investments would probably provide more of a benefit to the Texas economy.

If it were determined that it was reasonably possible to make the equally prudent investment that would probably provide a benefit to the Texas economy, the bill would require that the investment be made in that manner.

This bill would take effect September 1, 2007.

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, JM, KJG