

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

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

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

IN RE: HB3282 by Branch (Relating to the authority of issuers to enter into contracts for services in connection with the issuance of public securities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 1371, Government Code, to require an issuer (various local governmental or nonprofit entities) to select a financial advisor to advise it in connection with the execution and delivery of any credit agreement under the chapter. The bill would take effect September 1, 2007.

Currently, the University of Texas System does not hire an outside financial advisor in connection with execution of credit agreements. The System indicates that implementing provisions of the bill would result in costs of \$2.8 million per year. These costs would be absorbed within current resources.

Local Government Impact

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

Source Agencies: 720 The University of Texas System Administration

LBB Staff: JOB, JRO, SD, DB, GO