

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 5, 2007

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: SB607 by Ellis (Relating to the designation of certain areas as banking development districts to encourage the establishment of financial institution branches in those areas.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Finance Code relating to the designation of certain areas as banking development districts to encourage the establishment of financial institution branches in those areas by requiring the Finance Commission to adopt certain rules regarding the criteria for the designation of banking development districts.

Based on the analysis of the Department of Banking, it is assumed that costs associated with implementing the provisions of the bill could be absorbed within existing resources of the Finance Commission although the number of banking development districts or banking district depositories that would be established as a result of this bill cannot be determined at this time.

This bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or would otherwise take effect on September 1, 2007.

Local Government Impact

It is assumed that a local government would submit an application for the designation of a banking development district only if funding and partnership opportunities were available.

Source Agencies: 304 Comptroller of Public Accounts, 451 Department of Banking

LBB Staff: JOB, JRO, MW, TGI, KJG