

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 11, 2009**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

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

**IN RE: HB77** by Flynn (Relating to the collateralization of certain public funds and to custodians with which certain pledged securities may be deposited; providing administrative penalties.),  
**As Engrossed**

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| <p><b>No significant fiscal implication to the State is anticipated.</b></p> |
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The bill would provide for the centralized pooled collateralization program of two or more eligible participating institutions' deposits of public funds. The Comptroller would adopt rules to administer the program, post reports from participating institutions on its website, and impose against each participating financial institution a pro rata assessment to cover the program's administrative costs.

The Comptroller anticipates a cost of \$375,000 in fiscal year 2010 due to contract programming expenses. However, it is assumed that any cost associated with implementation of the bill would be offset by an assessment fee to the participating entities in an amount sufficient to pay the costs associated with implementation of the bill.

**Local Government Impact**

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

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

**LBB Staff:** JOB, JRO, MS, JM, MN