

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 22, 2009

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

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

IN RE: HB801 by Guillen (Relating to prohibiting the investment of the permanent university fund in certain business entities doing business in Sudan.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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The Bill would include the Permanent University Fund (PUF) in the proscription against investing in the Sudan and in certain scrutinized companies identified by the Comptroller as currently required by Government Code, Chapter 806.

The University of Texas System has noted while the PUF does not have any direct holdings in these scrutinized companies, it does have indirect holdings. According to Government Code, Chapter 806, an indirect holding is defined as a security held in an account or fund, such as a mutual fund, that is managed by one or more persons not employed by a state governmental entity, in which the state governmental entity owns shares or interests together with other investors not subject to the proscription in Government Code, Chapter 806.

The provisions of this bill could be implemented within the existing resources of The University of Texas System.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 720 The University of Texas System Administration

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