

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

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

**April 28, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

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

**IN RE: HB3361** by Villarreal (Relating to a study by the comptroller on the use of call options by state government as a hedge against inflation in the cost of commodities purchased by state government.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3361, As Introduced: a negative impact of (\$500,000) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	(\$500,000)
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>
2010	(\$500,000)
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**Fiscal Analysis**

This bill would amend the Government Code and require the Comptroller to conduct a study on the feasibility and advisability of state government using call options as a hedge against the possibility of dramatic inflation in the cost of commodity purchases.

**Methodology**

The Comptroller of Public Accounts indicates that a one-time cost of \$500,000 would be required out of the General Revenue Fund in fiscal 2010 to hire consulting services to complete the study on purchasing call options to hedge against inflation.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

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