

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 28, 2011

TO: Honorable Larry Phillips, Chair, House Committee on Transportation

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

IN RE: HB2346 by Bonnen (Relating to authorized investments for ports and navigation districts.),
As Introduced

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Government Code to authorize a port or a navigation district to purchase, sell and invest its funds or funds under its control in negotiable certificates of deposit issued by a bank that has a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency.

Local Government Impact

There could be a positive fiscal impact associated with investing in negotiable certificates of deposit; however, those benefits would vary by district and is not anticipated to be significant.

The Port of Galveston reported there would be no significant fiscal impact. The port also noted the provisions of the bill would allow the port to have another investment option.

The Port of Houston Authority reported the bill would authorize access to the Certificate of Deposit Account Registry Service which could result in more efficient investment operations and potentially higher yields; however, no significant fiscal impact is anticipated.

Source Agencies:

LBB Staff: JOB, KJG, TP