

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 14, 2015

TO: Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB483 by Capriglione (Relating to the establishment and administration of a state bullion depository; authorizing fees.), **As Engrossed**

Depending upon the number of depository transactions and the amount of fees that could be assessed to depository agents, there could be an indeterminate fiscal impact to the state.

The bill would amend the Government and Finance Codes to establish and administer a state bullion depository. The bill would amend Subtitle C, Title 10, of the Government Code, to add new Chapter 2116 creating the Texas Bullion Depository. The depository would be an agency of the state located in the Office of the Comptroller, directed by an administrator appointed by the Comptroller with the advice and consent of the Governor, Lieutenant Governor and Senate; would hold certain bullion and specie acquired by the state or a political subdivision of the state; could receive and hold such deposits for private entities; and would use depository agents, as described in the bill, to conduct retail transactions on behalf of the depository with current and prospective depository account holders.

Deposits to the depository and other related assets would not be subject to legislative appropriation. The Comptroller by rule would establish procedures and requirements for the depository and depository agents to facilitate the accounting for and reporting of taxable gains and losses from depository transactions; and could, by rule, establish, fees, service charges and penalties to be charged to a depository holder, with receipts to be deposited to the General Revenue Fund.

The bill would amend Chapter 151 of the Finance Code, regarding the regulation of money services businesses, to provide for the licensing (including a fee), regulation and certification of depository agents.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2015.

Based on the specific requirements of the bill, the Comptroller would use private, independently managed firms and institutions licensed as "depository agents" to act as intermediaries to conduct retail transactions on behalf of the depository. The bill's fiscal impacts associated with depository activity, including but not limited to fees, charges, and penalties, cannot be determined. The fee would be set at a level sufficient to cover the costs of implementing the provisions of this bill. At this time, this amount cannot be estimated.

Local Government Impact

The fiscal implications to units of local government cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, CL, SD, KK