

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 4, 2015

TO: Honorable John Otto, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1657 by Watson (Relating to approval of the issuance of tax and revenue anticipation notes.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 404 of the Government Code, regarding the state treasury operations of the Comptroller.

The bill would amend Section 404.121(4) to change the definitions of "tax and revenue anticipation notes" and "notes" to include commercial paper notes.

The bill would amend Section 404.124, regarding the general revenue cash flow shortfall forecast and Cash Management Committee approval to issue Tax and Revenue Anticipation Notes (TRAN), to provide (1) a 90 day (60 days under current law) expiration of a subsequent approval of a TRAN to allow sufficient time to prepare, sell and issue the TRAN; and (2) that the Cash Management Committee's approval of commercial paper notes expires on the last day of the fiscal year for which the notes are approved to allow for the effective use of commercial paper notes, and to clarify that the commercial paper notes must mature and be paid in full in accordance with Government Code 404.123(d).

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.

The change to definitions would codify current TRAN practices. The bill would have no state fiscal implications.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD