

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 17, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3529 by Capriglione (Relating to the comptroller's investment of certain money held outside the state treasury.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 404 of the Government Code to require the Comptroller to invest state money held outside the state treasury and administered by the Comptroller in accordance with the investment standard described by Section 404.024(j) and would specify that such investments are not subject to any other limitation or requirement provided by Section 404.024. The Comptroller would be required to periodically adjust the investment portfolio of an account or fund from which the Comptroller invests money to ensure that the account or fund has sufficient liquidity to meet the cash flow requirements of the account or fund. The provisions added by the bill would not apply to money held outside the state treasury in trust by the Comptroller as trustee for the benefit of specified persons, including money deposited in accounts or funds established under a settlement agreement this state enters into as a result of litigation. The bill would take effect immediately upon receipt of a two-thirds vote of all members elected to each house; otherwise, the bill would take effect September 1, 2017.

According to the analysis of the Comptroller, the bill would have no revenue implications to the state as the proposed practice is already part of the investing policy of the Texas Treasury Safekeeping Trust Company. Any costs to implement the provisions of the bill would be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, NV, LCO