

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 10, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB2173 by Kolkhorst (Relating to the operation and administration of the Texas Bullion Depository; depository agents; and to the appropriation of money from the fees, charges, penalties, and other amounts related to the depository and deposited to the general revenue fund for that purpose.), **As Introduced**

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

The bill would amend Chapter 2116, Government Code, and Chapter 151, Finance Code, as they relate to the Texas Bullion Depository (depository). The bill would indicate that the depository is a program in the office of the Comptroller rather than an agency of the state, as it is referenced in current law. The bill would authorize the Comptroller to establish a special purpose corporation or other legal entity to operate the depository. The bill would specify that Chapter 2116, Government Code, may not be construed as creating financial or other responsibilities to the state or to the Comptroller and that the state does not pledge the full faith and credit of the state for the benefit of the depository.

The bill would authorize the depository to contract with the Comptroller's office to provide staff support. The bill would authorize the Comptroller to establish other charges and receive payments in the course of the depository operations, which would be deposited to the General Revenue Fund and which may be appropriated to the Comptroller to offset the costs to operate and promote the depository.

The bill would specify representation of the depository by the Attorney General.

The bill would authorize the depository to apply for, register, secure, hold and protect under the laws of the U.S. or any state or nation certain intellectual property. The bill would require the Comptroller to deposit to the General Revenue Fund the revenue realized by the depository pertaining to the intellectual property. Those funds may be appropriated to the Comptroller to offset the costs of the depository.

The bill would provide for the transfer of all rights, duties, powers, obligations and other requirements established by this bill and Chapter 1000 (House Bill 483), General Laws, Acts of the 84th Legislature, Regular Session, 2015 to the General Land Office if, on or before September 1, 2017, the Comptroller has not appointed the depository administrator.

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.

Based on the analysis of the Comptroller, the bill would allow the Comptroller to establish new charges for operation and administration of the depository. The amount of revenue the charges may generate are unknown at this time. The Comptroller indicates that costs to implement the provisions of the bill can be absorbed within current resources.

The Office of the Attorney General indicates that any costs to implement the provisions of the bill could be absorbed within existing resources.

This analysis assumes that the Comptroller would appoint the depository administrator on or before September 1, 2017. In the event that a depository administrator is not appointed by the Comptroller by that date, there would be an indeterminate cost to the General Land Office to administer and operate depository.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts

LBB Staff: UP, KK, NV, LCO