

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 6, 2019

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

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB2458 by Capriglione (Relating to the operation and administration of the Texas Bullion Depository.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend various sections of the Finance and Government Codes relating to the operation and administration of the Texas Bullion Depository.

Sections 1 through 8 of the bill would remove references to a depository agent (DA) from the Finance Code.

Sections 9 and 10 of the bill would change the definition of a DA and would limit eligibility to become a DA to financial institutions. The Comptroller would adopt rules to implement the provisions of Government Code Chapter 2116, regarding the Texas Bullion Depository.

Sections 11 and 12 of the bill would provide the Comptroller with the authority to employ subordinate officers and employees, including security officers, and would allow the Comptroller to adopt standards or restrict forms of deposit without issuing a rule, and would remove requirements to use troy ounces as the unit of measurement.

Sections 13 through 18 would: (1) change the method of withdrawals and transfers from a check or draft to a written demand in a form prescribed by the Comptroller; (2) revise the method of opening accounts and sending notices from those accounts; (3) remove requirements that the Comptroller set fees by rule and allow the Comptroller to waive certain fees, service charges, and penalties; (4) establish methods to promote and advertise the depository and to resolve disputes relating to purported governmental seizures of metals held by the depository.

Sections 19 through 22 would: (1) allow the Comptroller to set an official exchange rate for pricing precious metals and certain accounting procedures without issuing a rule; (2) establish that specified depository and account holder information is confidential and not subject to disclosure under the Public Information Act; and (3) remove requirements that the depository must use DAs and clarify the types of transactions for which the depository may use a DA.

Section 23 would repeal various sections of the Finance Code related to DAs.

The Comptroller of Public Accounts indicates the bill would have no significant fiscal impact.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2019.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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