

AN ACT

relating to certain advisory entities and work groups under the jurisdiction of the comptroller of public accounts or on which the comptroller's office is represented and to the repeal or redesignation of certain of those entities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0148 to read as follows:

Sec. 403.0148. REVIEW OF CERTAIN ADVISORY ENTITIES; REPORT.

(a) In this section, "advisory entity" means an entity created by statute or by a state agency that has as its primary function advising a state agency, including an advisory board, an advisory committee, a council, an oversight committee, and a task force.

(b) The comptroller shall review each advisory entity that is part of the office of the comptroller, under the direction of the comptroller, or administratively attached to the office of the comptroller.

(c) A review conducted under Subsection (b) must assess whether each advisory entity:

(1) is necessary; and

(2) promotes the efficient and effective operation of the office of the comptroller.

(d) Not later than December 1, 2026, the comptroller shall prepare and submit a report to the presiding officer of each house

1 of the legislature that identifies the advisory entities reviewed
2 under Subsection (b) that are not necessary or that do not promote
3 the efficient or effective operation of the office of the
4 comptroller.

5 (e) This section expires December 31, 2026.

6 SECTION 2. Section 403.1041, Government Code, is amended by
7 amending Subsection (a) and adding Subsections (i) and (j) to read
8 as follows:

9 (a) In this section and Section [~~Sections 403.1042 and~~
10 403.1043]:

11 (1) "Account" means the tobacco settlement permanent
12 trust account established under the agreement.

13 (2) "Advisory committee" means the tobacco settlement
14 permanent trust account administration [~~investment~~] advisory
15 committee established under Section 12.137, Health and Safety Code.

16 (3) "Agreement" means the Agreement Regarding
17 Disposition of Settlement Proceeds filed on July 24, 1998, in the
18 United States District Court, Eastern District of Texas, in the
19 case styled The State of Texas v. The American Tobacco Co., et al.,
20 No. 5-96CV-91. The term includes the subsequent Clarification of
21 Agreement Regarding Disposition of Settlement Proceeds filed on
22 July 24, 1998, in that litigation.

23 (4) "Department" means the Texas Department of Health.

24 (5) "Political subdivision" means:

25 (A) a hospital district;

26 (B) another local political subdivision that
27 owns or maintains a public hospital; or

1 (C) a county of this state responsible for
2 providing indigent health care to the general public.

3 (i) The comptroller shall annually present to the advisory
4 committee:

5 (1) a summary of the account's investment performance;

6 (2) the dollar amount the comptroller expects to
7 distribute to political subdivisions under Subsection (f); and

8 (3) any changes to the applicable investment policy
9 statement or rules adopted or amended by the comptroller under
10 Subsection (h).

11 (j) The advisory committee shall provide advice and
12 consultation to the comptroller related to the administration of
13 the account's investments and the amount of money to distribute to
14 political subdivisions, subject to the requirements and
15 limitations in the applicable investment policy statement, laws,
16 and rules.

17 SECTION 3. Section 403.610(b), Government Code, is amended
18 to read as follows:

19 (b) The governor shall provide written notice of the
20 governor's determination under Subsection (a) to the comptroller,
21 the applicable school district, ~~[the oversight committee]~~ and the
22 applicant not later than the seventh day after the date the governor
23 makes the determination under that subsection.

24 SECTION 4. Section 403.615(c), Government Code, is amended
25 to read as follows:

26 (c) As part of the review, the state auditor shall make
27 recommendations relating to increasing the efficiency and

1 effectiveness of the administration of this subchapter. The state
2 auditor shall submit the recommendations to the governor,
3 comptroller, lieutenant governor, and speaker of the house of
4 representatives~~[, and oversight committee]~~ not later than December
5 15 of each year.

6 SECTION 5. Section 404.028, Government Code, is amended to
7 read as follows:

8 Sec. 404.028. INVESTMENT ADVISORY BOARD. (a) The
9 comptroller shall establish an investment advisory board to advise
10 the comptroller and the trust company regarding investments that
11 the comptroller makes through the trust company under this
12 subchapter or other law. For purposes of this section, the deposit
13 of state funds in a state depository is not considered an
14 investment.

15 (b) The comptroller shall appoint members to the advisory
16 board who possess the expertise appropriate for advising the
17 comptroller with regard to one or more types of investments that the
18 comptroller may make. The members of the advisory board must have
19 knowledge or experience in finance, including management of funds
20 or business operations. Members of the advisory board serve in an
21 advisory capacity and are not fiduciaries with respect to the
22 investments made by the comptroller through the trust company under
23 this subchapter or other law.

24 (c) The comptroller shall determine the number of members of
25 the advisory board. The comptroller may adopt rules governing
26 members of the advisory board, including rules related to terms of
27 service and removal. ~~[A member serves on the advisory board at the~~

~~will of the comptroller.]~~

(d) Chapter 2110 does not apply to the ~~[size, composition,~~
~~or duration of the]~~ advisory board.

(e) A person is not eligible for appointment to the advisory
board if the person or the person's spouse:

(1) is employed by or participates in the management
of a business entity or other organization that receives funds from
the trust company;

(2) owns or controls, directly or indirectly, more
than a 10 percent interest in a business entity or other
organization that receives funds from the trust company; or

(3) receives funds from a business entity or other
organization that receives funds from the trust company if the
amount received by the person or spouse exceeds five percent of the
person's gross income or the spouse's gross income, as applicable,
for the preceding calendar year.

(f) Before a member of the advisory board may assume the
member's duties, the member must complete a training program
providing information regarding:

(1) assets managed by the comptroller through the
trust company under this subchapter or other law; and

(2) applicable statutes, including Chapters 551 and
552.

(g) In this section, "trust company" means the Texas
Treasury Safekeeping Trust Company.

SECTION 6. Section 404.101(1), Government Code, is amended
to read as follows:

(1) "Advisory board" means the comptroller's ~~[Texas treasury safekeeping trust company]~~ investment advisory board established under Section 404.028.

SECTION 7. Sections 12.137(a) and (h), Health and Safety Code, are amended to read as follows:

(a) The tobacco settlement permanent trust account administration advisory committee shall advise:

(1) the department on the implementation of the department's duties under this subchapter; and

(2) the comptroller on the administration of the comptroller's duties under Section 403.1041, Government Code.

(h) A member of the advisory committee may not receive compensation from the trust fund or the state for service on the advisory committee but may ~~[and may not]~~ be reimbursed ~~[from the trust fund or the state]~~ for actual and necessary expenses of attending meetings of the advisory committee or performing other official duties authorized by the comptroller ~~[travel expenses incurred while conducting the business of the advisory committee]~~.

SECTION 8. The following provisions are repealed:

(1) Chapter 395, Finance Code;

(2) Section 403.028(f), Government Code;

(3) Section 403.1042, Government Code;

(4) Section 403.602(14), Government Code, as added by Chapter 377 (H.B. 5), Acts of the 88th Legislature, Regular Session, 2023;

(5) Section 403.618, Government Code;

(6) Section 404.108, Government Code;

- (7) Section 404.109, Government Code;
- (8) Section 404.110, Government Code;
- (9) Section 404.111, Government Code;
- (10) Section 404.112, Government Code;
- (11) Section 404.113, Government Code; and
- (12) Section 490I.0110, Government Code.

SECTION 9. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2900 passed the Senate on April 28, 2025, by the following vote: Yeas 31, Nays 0; May 29, 2025, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 30, 2025, House granted request of the Senate; June 1, 2025, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 2900 passed the House, with amendments, on May 28, 2025, by the following vote: Yeas 115, Nays 22, one present not voting; May 30, 2025, House granted request of the Senate for appointment of Conference Committee; June 1, 2025, House adopted Conference Committee Report by the following vote: Yeas 106, Nays 29, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor