

## **BILL ANALYSIS**

H.B. 21  
By: Swinford  
Government Reform  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Legislation enacted during the 78th Regular Legislative Session created the Uniform Prudent Investor Act, which provided more uniformity and clarity in the interstate investment environment regarding the duties and responsibilities of trustees. An oversight resulted in the Texas County and District Retirement system being held to a “prudent investor” standard. However, the standard enumerated in the Texas Constitution is a “prudent person” standard. H.B. 21 will provide the investment standard for the Texas County and District Retirement System to be a “prudent person” standard.

### **RULEMAKING AUTHORITY**

It is the committee’s opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 21 requires that investment decisions made by the Texas County and District Retirement System are subject to the standard provided in the Texas Trust code by Section 117.004(b), Property Code.

### **EFFECTIVE DATE**

January 1, 2004.