

BILL ANALYSIS

H.B. 1109
By: King
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, letters of credit issued by an agency or instrumentality of the United States government are not specifically included in the types of collateral eligible to be pledged with the comptroller to secure state deposits. However, this type of collateral is currently available to secure deposits of local government funds. The purpose of House Bill 1109 is to make letters of credit issued by an agency or instrumentality of the United States government expressly eligible to be pledged to secure state deposits.

RULEMAKING AUTHORITY

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

ANALYSIS

House Bill 1109 amends Sections 404.0221(b) and (d) of the Government Code to add letters of credit issued by an agency or instrumentality of the United States government to the types of collateral eligible to be pledged with the comptroller to secure state deposits.

EFFECTIVE DATE

September 1, 2003.

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