

BILL ANALYSIS

Senate Research Center

S.B. 1318
By: Van de Putte
Business & Commerce
6/24/2003
Enrolled

DIGEST AND PURPOSE

Currently, the Texas Public Fund Investment Act is silent on securities lending, although it does allow for similar investment programs such as repurchase and reverse purchase programs. Major retirement systems of the state, including the Employees Retirement System, use securities lending, and municipalities may be able to add substantial income to their revenue with securities lending. S.B. 1318 amends the Texas Public Fund Investment Act to specifically allow municipalities and others operating under the Act to utilize a securities lending program.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 2256, Government Code, by adding Section 2256.0111, as follows:

Sec. 2256.0111. AUTHORIZED INVESTMENTS: SECURITIES LENDING PROGRAM. Provides that a fully collateralized securities lending program is an authorized investment under this subchapter if certain conditions are met.

SECTION 2. Effective date: September 1, 2003.