

BILL ANALYSIS

H.B. 573
By: Flynn
Public Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In the last session, the Government Code, section 2257.022 was amended to require collateral in the amount of 110% for securities as described in section 45.201(4)(D) of the Education Code. This bill amends the Education Code to limit paragraph (D) to reducing principle balance securities. These items are higher risk and should have a higher collateral weighting. This bill also describes other obligations to be used as collateral by school districts.

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

HB 573 expands the meaning of approved securities in the Education Code to describe other obligations constituting permissible collateral.

EFFECTIVE DATE

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, 2005.