

By: Ellis

S.B. No. 549

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the disclosure of information relating to the
3 investment of the permanent university fund and other funds under
4 the management and control of the board of regents of The University
5 of Texas System.

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

7 SECTION 1. Section 66.08, Education Code, is amended by
8 adding Subsections (p), (q), and (r) to read as follows:

9 (p) The following information regarding each investment of
10 the permanent university fund or any other fund under the
11 management and control of the board made by the board, the
12 corporation, or another entity to which the board delegates its
13 investment authority under this section is public information
14 subject to disclosure under Chapter 552, Government Code:

15 (1) the name of each business entity or fund in which
16 the investment is made and a general description of the nature of
17 the investment;

18 (2) the name of any person, including the names of the
19 principal officers of the person, that manages or administers the
20 investment and a general description of the types of business
21 activities engaged in by the person currently and for the five years
22 preceding the date the investment is approved;

23 (3) the date the board, corporation, or other
24 investing entity approves the investment;

1 (4) the amount of any fees, commissions, or other
2 charges paid or authorized to be paid from state funds or from the
3 state's share of the investment or investment returns in connection
4 with the investment;

5 (5) the total amount of state funds committed or
6 authorized to be invested;

7 (6) the date and amount of each payment of state funds
8 made in connection with the investment;

9 (7) the internal rate of return to the state of the
10 investment as of the most recent date for which that information is
11 available; and

12 (8) the current value of the state's investment based
13 on the most recent information available.

14 (q) The board, the corporation, or another entity to which
15 the board delegates its authority under this section for the
16 investment of the permanent university fund or any other fund under
17 the management and control of the board shall require any person
18 with whom the board, corporation, or other investing entity enters
19 into any agreement for investment of a portion of those funds to
20 disclose to the board any information available to the person that
21 is designated as public information under Subsection (p). An
22 investment contract entered into on or after January 1, 2006, must
23 include a provision requiring the person to disclose the
24 information on request of the board.

25 (r) Subsection (p) does not require the disclosure of:

26 (1) information regarding the internal operations of
27 any person with whom the board, corporation, or other investing

1 entity contracts; or

2 (2) the name or identity of any other person
3 participating in the investment solely as an investor.

4 SECTION 2. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2005.