

Amend SB 1332 (house committee printing) by adding the following sections to the bill, numbered appropriately, and renumbering the subsequent sections of the bill accordingly:

SECTION \_\_\_\_\_. Section 1231.001, Government Code, is amended by adding Subdivision (1-a) to read as follows:

(1-a) "Interest rate management agreement" means an agreement that provides for an interest rate transaction, including a swap, basis, forward, option, cap, collar, floor, lock, or hedge transaction, for a transaction similar to those types of transactions, or for a combination of any of those types of transactions. The term includes:

(A) a master agreement that provides standard terms for transactions;

(B) an agreement to transfer collateral as security for transactions; and

(C) a confirmation of transactions.

SECTION \_\_\_\_\_. Section 1231.023(c), Government Code, is amended to read as follows:

(c) The board shall adopt policies that:

(1) provide a mechanism for evaluating the amount of state debt that can be managed prudently;

(2) address opportunities to consolidate debt authority;

(3) include guidelines for:

(A) appropriate levels of reserves;

(B) the types of state security that should be issued under various circumstances; and

(C) the terms or structure of a state security;

(4) help the board and issuers of state securities to evaluate:

(A) the potential risks involved in the issuance of a state security or in the execution of an interest rate management agreement; and

(B) the effect that the issuance of a state security or that the execution of an interest rate management agreement will have on the finances and on the overall debt position of the issuer and of the state; and

(5) recommend other advisable practices related to the issuance of a state security.