

By: Alonzo

H.B. No. 2677

A BILL TO BE ENTITLED

AN ACT

relating to financial advisors retained by political subdivisions for the issuance of bonds.

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

SECTION 1. Subchapter A, Chapter 2254, Government Code, is amended by adding Section 2254.007 to read as follows:

Sec. 2254.007. RETENTION OF FINANCIAL ADVISOR BY POLITICAL SUBDIVISION. (a) This section applies only to a financial advisor who provides advice to a political subdivision regarding the issuance of bonds by the political subdivision.

(b) A political subdivision may not make a contract for the services of a financial advisor unless:

(1) the selection of the advisor is made in the manner provided by Section 2254.003; and

(2) the financial advisor:

(A) holds a license issued by:

(i) a nationally recognized association of securities dealers; and

(ii) the Municipal Securities Rulemaking Board; and

(B) is in good standing with:

(i) the United States Securities and Exchange Commission; and

(ii) the State Securities Board.

1 SECTION 2. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2007.