

By: Branch

H.B. No. 3282

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of issuers to enter into contracts for
3 services in connection with the issuance of public securities.

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

5 SECTION 1. Chapter 1371, Government Code, is amended by
6 adding Section 1371.0561 to read as follows:

7 Section 1371.0561. Advisor Required. An issuer shall
8 select a financial advisor to advise it in connection with the
9 execution and delivery of any credit agreement under this Chapter.
10 Any such financial advisor shall be a dealer or an investment
11 advisor registered pursuant to Article 581-12 or Article 581-12-1,
12 Tex. Rev. Civ. Stat., in either case that is subject to the rules of
13 the Municipal Securities Rulemaking Board, and that has experience
14 in providing advice to issuers in connection with the valuation of
15 credit agreements, and shall acknowledge in writing to the issuer
16 that it is acting as agent of the issuer in connection with the
17 transaction, and has complied with the rules of the Municipal
18 Securities Rulemaking Board in connection with its engagement by
19 the issuer, and will comply with those rules in connection with the
20 transaction for which it is engaged.

21 SECTION 2. This Act takes effect September 1, 2007.