

By: Gallego

H.B. No. 3878

A BILL TO BE ENTITLED

AN ACT

relating to annual reporting of women and minority participation in the management and investment of the assets of a state investment fund.

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

SECTION 1. Sections 322.014(a) and (b), Government Code, are amended to read as follows:

(a) In this section: [7]

(1) "Minority-owned business" means a business entity at least 51 percent of which is owned by minority group members or, in the case of a corporation, at least 51 percent of the shares of which are owned by minority group members, and that is managed and, in daily operations, controlled by minority group members.

(2) "Minority group members" includes:

(A) African Americans;

(B) American Indians;

(C) Asian Americans;

(D) Americans of Hispanic origin; and

(E) persons with disabilities.

(3) "State [state] investment fund" means any investment fund administered by or under a contract with any state governmental entity, including a fund:

(A) [41] established by statute or by the Texas Constitution; or

1 (B) [~~(2)~~] administered by or under a contract
2 with:

3 (i) [~~(A)~~] a public retirement system as
4 defined by Section 802.001 that provides service retirement,
5 disability retirement, or death benefits for officers or employees
6 of the state;

7 (ii) [~~(B)~~] an institution of higher
8 education as defined by Section 61.003, Education Code; or

9 (iii) [~~(C)~~] any other entity that is part
10 of state government.

11 (4) "Women-owned business" means a business entity at
12 least 51 percent of which is owned by women or, in the case of a
13 corporation, at least 51 percent of the shares of which are owned by
14 women, and that is managed and controlled by women in its daily
15 operations.

16 (b) The board shall evaluate and publish an annual report on
17 the risk-adjusted performance of and the participation by
18 minority-owned and women-owned businesses in each state investment
19 fund that in the opinion of the board contains a relatively large
20 amount of assets belonging to or administered by the state. The
21 board in its report shall:

22 (1) compare the risk-adjusted performance of the
23 funds; [~~and~~]

24 (2) examine the risk-adjusted performance, within and
25 among the funds, of similar asset classes and comparable portfolios
26 within asset classes; and

27 (3) detail participation by minority-owned and

1 women-owned businesses, including the participation of
2 minority-owned and women-owned financial services firms, expressed
3 as a percentage of the total assets under management by outside
4 financial services firms.

5 SECTION 2. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2009.