

BILL ANALYSIS

H.B. 2346
By: Bonnen
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Approximately 15 years ago, the Texas legislature passed omnibus legislation relating to investment of public funds, which established the authorized investments for governmental entities, including navigation districts, that are subject to the law. The legislation also authorized additional investments for institutions of higher education. Currently, institutions of higher education can purchase, sell, and invest funds in negotiable certificates of deposit. H.B. 2346 seeks to allow Texas ports and navigation districts the same flexibility to invest in negotiable certificates of deposit as institutions of higher education currently have.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2346 amends the Government Code to authorize a port or navigation district, in addition to the authorized investments permitted by the Public Funds Investment Act, to purchase, sell, and invest its funds and funds under its control in negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency. The bill provides for the meaning of "district" by reference to the Texas Constitution.

EFFECTIVE DATE

September 1, 2011.