

By: Larson

H.B. No. 2349

Substitute the following for H.B. No. 2349:

By: Hochberg

C.S.H.B. No. 2349

A BILL TO BE ENTITLED

AN ACT

relating to the authority of independent school districts to invest in corporate bonds.

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

SECTION 1. Subchapter A, Chapter 2256, Government Code, is amended by adding Section 2256.0204 to read as follows:

Sec. 2256.0204. AUTHORIZED INVESTMENTS: INDEPENDENT SCHOOL DISTRICTS. (a) This section applies only to an independent school district that qualifies as an issuer as defined by Section 1371.001.

(b) In addition to authorized investments permitted by this subchapter, an independent school district subject to this section may purchase, sell, and invest its funds and funds under its control in corporate bonds, debentures, or similar debt obligations that:

(1) are rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories; and

(2) have a stated final maturity date that is not later than the third anniversary of the date on which the debt obligations were purchased or invested in.

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

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1 Act takes effect September 1, 2011.