

By: Garza

H.B. No. 3599

A BILL TO BE ENTITLED

AN ACT

relating to contracting with emerging fund managers by the State Board of Education for investment of the permanent school fund.

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

SECTION 1. Section 43.005, Education Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) In awarding contracts to private professional investment managers under Subsection (a) or otherwise acquiring private financial services, the State Board of Education shall make a good faith effort to award contracts to or acquire services from qualified emerging fund managers. For purposes of this subsection:

(1) "Emerging fund manager" means a private professional investment manager that manages assets of not more than \$2 billion.

(2) "Private financial services" includes consulting, investment advising, brokerage services, hedge fund management, private equity fund management, and real estate investment.

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 Act takes effect September 1, 2011.