

By: Wentworth

S.B. No. 1543

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of independent school districts to invest
3 in corporate bonds.

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

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

7 Sec. 2256.0204. AUTHORIZED INVESTMENTS: INDEPENDENT SCHOOL
8 DISTRICTS. (a) This section applies only to an independent school
9 district with an average daily attendance as determined under
10 Section 42.005, Education Code, of at least 50,000.

11 (b) In addition to authorized investments permitted by this
12 subchapter, an independent school district subject to this section
13 may purchase, sell, and invest its funds and funds under its control
14 in corporate bonds, debentures, or similar debt obligations rated
15 by a nationally recognized investment rating firm in one of the two
16 highest long-term rating categories, without regard to gradations
17 within those categories.

18 SECTION 2. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2011.