

By: Carona

S.B. No. 581

A BILL TO BE ENTITLED

AN ACT

relating to procedures for securing the deposit of public funds.

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

SECTION 1. Section 2257.045, Government Code, is amended to read as follows:

Sec. 2257.045. RECEIPT OF SECURITY BY CUSTODIAN. On receipt of an investment security, a custodian shall:

(1) immediately identify on its books and records, by book entry or another method, the pledge of the security to the public entity; and

(2) promptly issue and deliver ~~[to the appropriate public entity officer]~~ a trust receipt for the pledged security to:

(A) the appropriate public entity officer; or

(B) the public entity's depository.

SECTION 2. Section 2257.046, Government Code, is amended by adding Subsection (d) to read as follows:

(d) At the request of the public entity, the public entity's custodian shall provide a list of all investment securities pledged to the public entity.

SECTION 3. Section 116.051, Local Government Code, is amended to read as follows:

Sec. 116.051. QUALIFICATION AS DEPOSITORY OR SUBDEPOSITORY. Within 15 days after the date a bank is selected as a county depository or subdepository, the bank must qualify as the

1 depository or subdepository by providing security for the funds to  
2 be deposited by the county with the bank. The depository or  
3 subdepository may secure these funds, at the option of the  
4 commissioners court, by:

5 (1) personal bond; surety bond; bonds, notes, and  
6 other securities; first mortgages on real property; real  
7 property; certificates of deposit; a letter of credit issued by a  
8 federal home loan bank; or a combination of these methods, as  
9 provided by this subchapter; or

10 (2) investment securities or interests in them as  
11 provided by Chapter 726, Acts of the 67th Legislature, Regular  
12 Session, 1981 (Article 2529b-1, Vernon's Texas Civil Statutes).

13 SECTION 4. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2013.