

1-1 By: Carona S.B. No. 581
1-2 (In the Senate - Filed February 14, 2013; February 20, 2013,
1-3 read first time and referred to Committee on Business and Commerce;
1-4 March 18, 2013, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 1; March 18, 2013,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

1-8	Yea	Nay	Absent	PNV
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14		X		
1-15	X			
1-16	X			
1-17			X	

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 581 By: Carona

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to procedures for securing the deposit of public funds.
1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-23 SECTION 1. Section 2257.045, Government Code, is amended to
1-24 read as follows:
1-25 Sec. 2257.045. RECEIPT OF SECURITY BY CUSTODIAN. (a) On
1-26 receipt of an investment security, a custodian shall~~+~~
1-27 ~~[(1)]~~ immediately identify on its books and records,
1-28 by book entry or another method, the pledge of the security to the
1-29 public entity.
1-30 (b) For a deposit of public funds under Subchapter F, the
1-31 custodian shall promptly issue and deliver to the comptroller a
1-32 trust receipt for the pledged security.
1-33 (c) For any other deposit of public funds under this
1-34 chapter, at the direction of the appropriate public entity officer,
1-35 the custodian shall:
1-36 (1) ~~+, and~~
1-37 ~~[(2)]~~ promptly issue and deliver to the appropriate
1-38 public entity officer a trust receipt for the pledged security; or
1-39 (2) promptly issue a trust receipt to the public
1-40 entity's depository and instruct the depository to deliver the
1-41 trust receipt to the public entity officer immediately.
1-42 SECTION 2. Section 2257.046, Government Code, is amended by
1-43 adding Subsection (d) to read as follows:
1-44 (d) At the request of the public entity, the public entity's
1-45 custodian shall provide to the appropriate public entity officer a
1-46 current list of all pledged investment securities. The list must
1-47 include, for each pledged investment security:
1-48 (1) the name of the public entity;
1-49 (2) the date of the deposit for which the security was
1-50 pledged;
1-51 (3) the date the security was issued;
1-52 (4) the face value and maturity date of the security;
1-53 and
1-54 (5) the confirmation number on the trust receipt
1-55 issued by the custodian.
1-56 SECTION 3. Section 116.051, Local Government Code, is
1-57 amended to read as follows:
1-58 Sec. 116.051. QUALIFICATION AS DEPOSITORY OR
1-59 SUBDEPOSITORY. Within 15 days after the date a bank is selected as
1-60 a county depository or subdepository, the bank must qualify as the

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

2-5 (1) personal bond; surety bond; bonds, notes, and
2-6 other securities; first mortgages on real property; real property;
2-7 certificates of deposit; a letter of credit issued by a federal home
2-8 loan bank; or a combination of these methods, as provided by this
2-9 subchapter; or

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

2-13 SECTION 4. This Act takes effect immediately if it receives
2-14 a vote of two-thirds of all the members elected to each house, as
2-15 provided by Section 39, Article III, Texas Constitution. If this
2-16 Act does not receive the vote necessary for immediate effect, this
2-17 Act takes effect September 1, 2013.

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