

By: Hernandez

H.B. No. 1560

A BILL TO BE ENTITLED

AN ACT

1
2 relating to investment options for property recovered in a suit by a
3 next friend or guardian ad litem on behalf of a minor or
4 incapacitated person.

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

6 SECTION 1. Section 142.004(a), Property Code, is amended to
7 read as follows:

8 (a) In a suit in which a minor or incapacitated person who
9 has no legal guardian is represented by a next friend or an
10 appointed guardian ad litem, any money recovered by the plaintiff,
11 if not otherwise managed under this chapter, may be invested:

12 (1) by the next friend or guardian ad litem in:

13 (A) a higher education savings plan established
14 under Subchapter G, Chapter 54, Education Code, or a prepaid
15 tuition program [~~the Texas tomorrow fund~~] established under [~~by~~]
16 Subchapter H [~~F~~], Chapter 54, Education Code; or

17 (B) interest-bearing time deposits in a
18 financial institution doing business in this state and insured by
19 the Federal Deposit Insurance Corporation; or

20 (2) by the clerk of the court, on written order of the
21 court of proper jurisdiction, in:

22 (A) a higher education savings plan established
23 under Subchapter G, Chapter 54, Education Code, or a prepaid
24 tuition program [~~the Texas tomorrow fund~~] established under [~~by~~]

1 Subchapter H [~~F~~], Chapter 54, Education Code;

2 (B) interest-bearing deposits in a financial
3 institution doing business in this state and insured by the Federal
4 Deposit Insurance Corporation;

5 (C) United States treasury bills;

6 (D) an eligible interlocal investment pool that
7 meets the requirements of Sections [2256.016](#), [2256.017](#), and
8 [2256.019](#), Government Code; or

9 (E) a no-load money market mutual fund, if the
10 fund:

11 (i) is regulated by the Securities and
12 Exchange Commission;

13 (ii) has a dollar weighted average stated
14 maturity of 90 days or fewer; and

15 (iii) includes in its investment objectives
16 the maintenance of a stable net asset value of \$1 for each share.

17 SECTION 2. This Act takes effect September 1, 2015.