

By: Parker

H.B. No. 3132

A BILL TO BE ENTITLED

AN ACT

relating to the authorization for municipalities to hire advisors
authorized under the Securities Exchange Act of 1934

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

SECTION 1. Subchapter A, Chapter 1371, Government Code, is
amended by adding Section 1371.154 to read as follows:

Sec. 1371.154. FINANCIAL ADVISER OR INVESTMENT ADVISER
QUALIFICATIONS AND REQUIREMENTS FOR CERTAIN AGREEMENTS AND
TRANSACTIONS. (a) This section applies to a financial adviser or an
investment adviser who advises the issuer in connection with:

- (1) An interest rate management agreement;
- (2) The execution or delivery of a public security; or
- (3) The investment of the public security proceeds.

(b) To be eligible to be a financial adviser or an
investment adviser under this subchapter, the adviser or an
investment adviser under this subchapter, the adviser must:

- (1) be registered:

(A) as a dealer or investment adviser in
accordance with Section 12 or 12-1, The Securities Act (article
581-12 or 581-12-1, Vernon's Texas Civil Statutes); or

(B) as a municipal advisor with the United States
Securities and Exchange Commission under the Securities Exchange
Act of 1934, Section 15B; or

~~(B)~~ (C) with the United States Securities and

Exchange Commission under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.), if the adviser is providing advice on the investment of bond proceeds and not on the issuance of a public security or an interest rate management agreement;

(2) have relevant experience in providing advice to issuers in connection with:

(A) the issuance of public securities;

(B) the valuation of interest rate management agreement; or

(C) the investment of public security proceeds; and

(3) acknowledge in writing to the issuer that in connection with the transaction for which the adviser is providing advice the adviser:

(A) is acting as the issuer's agent; and

(B) has complied with the requirements of the subchapter.

SECTION 2. This Act takes effect September 1, 2015