

BILL ANALYSIS

Senate Research Center
85R12376 MK-F

H.B. 2928
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Business & Commerce
5/10/2017
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that confusion exists regarding whether obligations of Federal Home Loan Banks and certain in-state certificates of deposit or share certificates are authorized investments under the Public Funds Investment Act. H.B. 2928 seeks to resolve this confusion by making such obligations and certificates authorized investments under the act.

H.B. 2928 amends the Government Code to include obligations, including letters of credit, of the Federal Home Loan Banks as authorized investments for governmental entities under the Public Funds Investment Act and to clarify that a certificate of deposit or share certificate issued by a depository institution that has its main office or a branch office in Texas and secured in accordance with the Public Funds Collateral Act is an authorized investment for governmental entities under the Public Funds Investment Act.

H.B. 2928 amends current law relating to including the obligations of Federal Home Loan Banks as authorized investments for a governmental entity and the requirements for certificates of deposit or share certificates held as authorized investments for a governmental entity.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2256.009(a), Government Code, to include the Federal Home Loan Banks in the list of authorized investments under this subchapter (Authorized Investments for Governmental Entities).

SECTION 2. Amends Section 2256.010(a), Government Code, to provide that a certificate of deposit or share certificate is an authorized investment under this subchapter if the certificate is issued by a depository institution that has its main office or a branch in this state and meets certain other conditions, including is secured in accordance with Chapter 2257 (Collateral for Public Funds) or in any other manner and amount provided by law for deposits of the investing entity.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2017.