

By: Stephenson

H.B. No. 2647

A BILL TO BE ENTITLED

1 AN ACT

2 relating to authorized investments of public funds.

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

4 SECTION 1. Section [2256.009](#)(a), Government Code, is amended
5 to read as follows:

6 (a) Except as provided by Subsection (b), the following are
7 authorized investments under this subchapter:

8 (1) obligations, including letters of credit, of the
9 United States or its agencies and instrumentalities;

10 (2) direct obligations of this state or its agencies
11 and instrumentalities;

12 (3) collateralized mortgage obligations directly
13 issued by a federal agency or instrumentality of the United States,
14 the underlying security for which is guaranteed by an agency or
15 instrumentality of the United States;

16 (4) other obligations, the principal and interest of
17 which are unconditionally guaranteed or insured by, or backed by
18 the full faith and credit of, this state or the United States or
19 their respective agencies and instrumentalities, including
20 obligations that are fully guaranteed or insured by the Federal
21 Deposit Insurance Corporation or by the explicit full faith and
22 credit of the United States;

23 (5) obligations of states, agencies, counties,
24 cities, and other political subdivisions of any state rated as to

1 investment quality by a nationally recognized investment rating
2 firm not less than A or its equivalent; ~~and~~

3 (6) bonds issued, assumed, or guaranteed by the State
4 of Israel; and

5 (7) interest-bearing banking deposits or other
6 obligations that are guaranteed or insured by:

7 (A) the Federal Deposit Insurance Corporation or
8 its successor; or

9 (B) the National Credit Union Share Insurance
10 Fund or its successor.

11 SECTION 2. The changes in law made by this Act apply only to
12 authorized investments of public funds governed by Section
13 2256.009, Government Code, as amended by this Act, that are made on
14 or after the effective date of this Act. An authorized investment
15 of public funds made before the effective date of this Act is
16 governed by the law in effect immediately before that date, and that
17 law is continued in effect for that purpose.

18 SECTION 3. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2017.