AN ACT

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.

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

SECTION 1. Section 2256.009(a), Government Code, is amended
to read as follows:

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

(1) obligations, including letters of credit, of the
United States or its agencies and instrumentalities, including the
Federal Home Loan Banks;

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

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

(4) other obligations, the principal and interest of
which are unconditionally guaranteed or insured by, or backed by
the full faith and credit of, this state or the United States or
their respective agencies and instrumentalities, including
obligations that are fully guaranteed or insured by the Federal
Deposit Insurance Corporation or by the explicit full faith and
credit of the United States;
(5) obligations of states, agencies, counties,
cities, and other political subdivisions of any state rated as to
investment quality by a nationally recognized investment rating
firm not less than A or its equivalent; and
(6) bonds issued, assumed, or guaranteed by the State
of Israel.

SECTION 2. Section 2256.010(a), Government Code, is amended
to read as follows:
(a) 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 office in this state and is:
(1) guaranteed or insured by the Federal Deposit
Insurance Corporation or its successor or the National Credit Union
Share Insurance Fund or its successor;
(2) secured by obligations that are described by
Section 2256.009(a), including mortgage backed securities directly
issued by a federal agency or instrumentality that have a market
value of not less than the principal amount of the certificates, but
excluding those mortgage backed securities of the nature described
by Section 2256.009(b); or
(3) secured in accordance with Chapter 2257 or in any
other manner and amount provided by law for deposits of the
investing entity.

SECTION 3. The changes in law made by this Act apply to an
authorized investment of public funds governed by Chapter 2256, Government Code, as amended by this Act, made on or after the effective date of this Act. An authorized investment of public funds made before the effective date of this Act is subject to the law in effect on the date the investment was made, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2017.
H.B. No. 2928

President of the Senate

Speaker of the House

I certify that H.B. No. 2928 was passed by the House on April 20, 2017, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2928 was passed by the Senate on May 19, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: ______________________

Date

Governor