

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

1 Deposit Insurance Corporation or by the explicit full faith and
2 credit of the United States;

3 (5) obligations of states, agencies, counties,
4 cities, and other political subdivisions of any state rated as to
5 investment quality by a nationally recognized investment rating
6 firm not less than A or its equivalent; and

7 (6) bonds issued, assumed, or guaranteed by the State
8 of Israel.

9 SECTION 2. Section 2256.010(a), Government Code, is amended
10 to read as follows:

11 (a) A certificate of deposit or share certificate is an
12 authorized investment under this subchapter if the certificate is
13 issued by a depository institution that has its main office or a
14 branch office in this state and is:

15 (1) guaranteed or insured by the Federal Deposit
16 Insurance Corporation or its successor or the National Credit Union
17 Share Insurance Fund or its successor;

18 (2) secured by obligations that are described by
19 Section 2256.009(a), including mortgage backed securities directly
20 issued by a federal agency or instrumentality that have a market
21 value of not less than the principal amount of the certificates, but
22 excluding those mortgage backed securities of the nature described
23 by Section 2256.009(b); or

24 (3) secured in accordance with Chapter 2257 or in any
25 other manner and amount provided by law for deposits of the
26 investing entity.

27 SECTION 3. The changes in law made by this Act apply to an

1 authorized investment of public funds governed by Chapter [2256](#),
2 Government Code, as amended by this Act, made on or after the
3 effective date of this Act. An authorized investment of public
4 funds made before the effective date of this Act is subject to the
5 law in effect on the date the investment was made, and the former
6 law is continued in effect for that purpose.

7 SECTION 4. This Act takes effect September 1, 2017.

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