

By: Stephenson

H.B. No. 2928

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to including the obligations of Federal Home Loan Banks as  
3 authorized investments for a governmental entity and the  
4 requirements for certificates of deposit or share certificates held  
5 as authorized investments for a governmental entity.

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

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

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

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

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

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

20 (4) other obligations, the principal and interest of  
21 which are unconditionally guaranteed or insured by, or backed by  
22 the full faith and credit of, this state or the United States or  
23 their respective agencies and instrumentalities, including  
24 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.