

BILL ANALYSIS

H.B. 2674
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The treasury operations division of the comptroller of public accounts is the center of financial operations for the state, managing the flow of over 200,000 transactions daily in and out of hundreds of accounts. The division receives and processes deposits for all state agencies, pays all state disbursements, and accounts for all state agency cash and interest earnings. The division efficiently ensures the safety and control of billions of dollars in the state treasury and positions these funds for optimal investment returns. In order to hold state assets, financial institutions must apply to the comptroller to be designated as a state depository. The comptroller mails eligibility letters to financial institutions eligible to hold state assets on the first business day of June of each odd-numbered year. The financial institution must complete and mail the application to the comptroller before noon on the first business day of August of the year in which the letter is sent. H.B. 2674 seeks to afford eligible financial institution applicants more time to apply to be a state depository by requiring the comptroller to provide notice to eligible financial institutions in May rather than June of each odd-numbered year while also modernizing the process by allowing for the electronic submission of applications.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

ANALYSIS

H.B. 2674 amends the Government Code to change the deadline for the comptroller of public accounts to notify any state or national bank doing business in Texas of the conditions with which applicants for designation as a state depository must comply from the first business day in June of each odd-numbered year to the first business day in May of that year. The bill removes the specification that this notice be provided by mailing the institutions a physical letter and gives an institution the option to electronically submit their application to the comptroller as an alternative to mailing the application. The bill authorizes the comptroller to specify the format required for electronic submissions and removes the requirement for the comptroller, on receipt of an application, to endorse on the application the date of its receipt. The bill authorizes the comptroller to adopt rules to administer the provisions governing the application process.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.