

BILL ANALYSIS

C.S.H.B. 870
By: Smith
Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concern has been raised regarding the number of investment training instruction hours required for certain school district financial officers under the Public Funds Investment Act after the initial 10 hours of approved, qualified training instruction have been completed. Interested parties assert that the subsequent investment training should be tailored for certain school district financial officers and reduced to a more appropriate amount of time to update and refresh those officers on the law and any changes made since their last training. C.S.H.B. 870 seeks to remedy this issue.

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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 870 amends the Government Code to except the treasurer, or the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a school district from the requirement under Public Funds Investment Act provisions governing authorized investments for governmental entities that certain local government financial officers attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date and receive not less than 10 hours of instruction relating to investment responsibilities under those provisions. The bill retains the requirement that those school district financial officers attend at least one training session containing at least 10 hours of instruction relating to the officers' responsibilities under those provisions within 12 months after taking office or assuming duties and, in addition, requires those officers to attend an investment training session not less than once in a two-year period that begins on the first day of the school district's fiscal year and consists of the two consecutive fiscal years after that date and to receive not less than five hours of instruction relating to investment responsibilities under those provisions from an independent source approved by the school district's board of trustees or a designated investment committee advising the investment officer as provided for in the school district's investment policy.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 870 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 2256.008(a), Government Code, is amended to read as follows:

(a) Except as provided by Subsections (b) and (e), the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government shall:

(1) attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties; and

(2) except as provided by Subsections (b) and (e), attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than five [10] hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 2256.008, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Except as provided by Subsections (a-1), (b), and (e), the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government shall:

(1) attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least 10 hours of instruction relating to the treasurer's or officer's responsibilities under this subchapter within 12 months after taking office or assuming duties; and

(2) ~~[except as provided by Subsections (b) and (e),]~~ attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

(a-1) In addition to the requirements of Subsection (a)(1), the treasurer, or the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a school district shall attend an investment training session not less than once in a two-year period that begins on the first day of the school district's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less

than five hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the board of trustees of the school district or a designated investment committee advising the investment officer as provided for in the investment policy of the school district.

SECTION 2. This Act takes effect September 1, 2015.

SECTION 2. Same as introduced version.