

BILL ANALYSIS

Senate Research Center
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S.B. 734
By: Duncan
Finance
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As Filed

DIGEST AND PURPOSE

Currently, the various state entities investing state treasury funds typically issue an annual report, which provides information about the funds performance. As proposed, S.B. 734 directs the Legislative Budget Board to develop an annual report on the performance of the state's major investment funds.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 322, Government Code, by adding Section 322.014, as follows,

Sec. 322.014. REPORT ON MAJOR INVESTMENT FUNDS. (a) Defines "state investment fund."

(b) Requires the Legislative Budget Board (board) to evaluate and publish an annual report on the performance of each state investment fund that in the opinion of the board contains a relatively large amount of assets belonging to or administered by the state. Requires the board in its report to compare the performance of the funds and examine the performance, within and among the funds, or similar asset classes and comparable portfolios within asset classes.

(c) Requires each state governmental entity that administers a state investment fund and each person that administers a state investment fund under contract to provide the board with the information the board requests regarding the performance of the fund.

(d) Requires the board to publish the annual report in a format and using terminology that a person without technical investment expertise can understand.

SECTION 2. Effective date: upon passage or September 1, 2001.