

## **BILL ANALYSIS**

Senate Research Center  
78R3935 JJT-F

S.B. 650  
By: Shapleigh  
Government Organization  
3/13/2003  
As Filed

### **DIGEST AND PURPOSE**

Currently, state investments of public funds are managed by state agencies in concert with national investment brokerage firms. The Freedom of Information Act (FOIA) requires that governmental agencies disclose their records to any person requesting them, barring those records containing information specifically exempted by one of the statutory exemptions. However, in regards to private investment of public funds, agencies have bypassed FOIA requests to disclose information regarding private investments. This lack of disclosure does not allow for a comparison among other Texas and national funds and the potential for better fund management of state dollars. Expanding existing disclosure policy would make it easier for the public to discern how much money the state investment funds pay in commissions and fees. As proposed, S.B. 650 requires state investment funds to require the posting of all investment funds administered by or under a contract with any entity of state government on the Internet, except for the Texas Workers Compensation Insurance Fund and requires companies retained by and used by the agencies, in relation to the investment of the funds, to disclose the race, ethnicity, and gender of the controlling ownership of each business and their principal place of business. The bill does not affect the Public Funds Investment Act, which regulates what can and cannot be bought.

### **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 2054F, Government Code, by adding Section 2054.114, as follows:

Sec. 2054.114. REQUIRED POSTING OF STATE INVESTMENT FUND INFORMATION ON INTERNET. (a) Defines "state investment fund."

(b) Requires the entity of state government responsible for administering a state investment fund to, on or before the first day of each calendar quarter, post a report containing the information specified by Subsection (c) for the previous calendar quarter on a generally accessible Internet site maintained by or for certain entities.

(c) Requires the report to state certain information.

(d) Provides that this section does not apply to the Texas Workers' Compensation Insurance Fund created under Article 5.76-3, Insurance Code.

SECTION 2. Effective date: upon passage or September 1, 2003.