

## **BILL ANALYSIS**

Senate Research Center  
82R346 MTB-D

H.B. 2346  
By: Bonnen (Huffman)  
Transportation & Homeland Security  
5/12/2011  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Approximately 15 years ago, the Texas Legislature passed omnibus legislation relating to investment of public funds, which established the authorized investments for governmental entities, including navigation districts, that are subject to the law. The legislation also authorized additional investments for institutions of higher education. Currently, institutions of higher education can purchase, sell, and invest funds in negotiable certificates of deposit. H.B. 2346 seeks to allow Texas ports and navigation districts the same flexibility to invest in negotiable certificates of deposit as institutions of higher education currently have.

H.B. 2346 amends current law relating to authorized investments for ports and navigation districts.

### **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 Subchapter A, Chapter 2256, Government Code, by adding Section 2256.0203, as follows:

Sec. 2256.0203. AUTHORIZED INVESTMENTS: PORTS AND NAVIGATION DISTRICTS. (a) Defines, in this section, "district."

(b) Authorizes a port or navigation district, in addition to the authorized investments permitted by this subchapter, to purchase, sell, and invest its funds and funds under its control in negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency.

SECTION 2. Effective date: September 1, 2011.