

BILL ANALYSIS

Senate Research Center
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H.B. 870
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Education
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

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. H.B. 870 seeks to remedy this issue.

H.B. 870 amends current law relating to the investment training requirement for certain school district financial officers.

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 Section 2256.008, Government Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Requires the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government, except as provided by Subsections (a-1), (b) (authorizing an investing entity created under authority of Section 52(b), Article III, or Section 59, Article XVI, Texas Constitution, that has contracted with an investment management firm under Section 2256.003(b) and has fewer than five full-time employees or an investing entity that has contracted with another investing entity to invest the entity's funds to satisfy the training requirement provided by Subsection (a)(2) by having an officer of the governing body attend four hours of appropriate instruction 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 (e) (providing that this section does not apply to a district governed by Chapter 36 or 49, Water Code), to:

(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) attend an investment training session, rather than 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) Requires the treasurer, or the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a school district, in addition to the requirements of Subsection (a)(1), 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 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. Effective date: September 1, 2015.