

## **BILL ANALYSIS**

Senate Research Center  
77R15175 SMJ-D

C.S.H.B. 1161  
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Business & Commerce  
5/8/2001  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

The Business Enterprises Program (BEP) is a federally funded, state-administered program that provides opportunities for blind and visually impaired individuals to operate food services and other BEP selected businesses in public and private facilities. The 76th Legislature established a trust fund in the state treasury for the BEP retirement program. Currently, the BEP retirement fund only grows at a rate of about 5 percent each year. If, however, a professional management service managed the retirement fund, it could increase the fund's profits. C.S.H.B. 1161 authorizes the Texas Commission for the Blind to contract with a professional management service to manage the BEP trust fund and provides for the deposit or investment of trust fund monies and securities.

### **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 404.094(d), Government Code, to authorize a state agency that receives money from securities transactions under applicable law, including Chapter 815 or 825, Government Code, Chapter 161, 162, or 164, Natural Resources Code, Chapter 43, Education Code, Section 94.016, Human Resources Code, and the Texas Statewide Emergency Services Retirement Act (Article 6243e.3, V.T.C.S.) with the comptroller's approval to, as an alternative to the deposit of the funds as provided by Subsection (a), net funds received against purchases of securities occurring within one business day.

SECTION 2. Amends Section 94.016, Human Resources Code, by adding Subsection (f) and (g), as follows:

(f) Authorize the Texas Commission for the Blind (commission) to contract with a professional management service to administer the Business Enterprises Program trust fund. Authorizes the professional management service, in administering the trust fund, to acquire, exchange, sell, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire, exchange, sell, or retain under the circumstances, taking into consideration the investment of all the assets of the trust fund.

(g) Authorizes the commission, with the approval of the comptroller, to select a commercial bank, depository trust company, or other entity to serve as a custodian of the Business Enterprises Program trust fund's securities, and monies realized from those securities, pending completion of an investment transaction. Requires money realized from those securities to be reinvested not later than one business day after the date it is received; or deposited in the treasury not later than the fifth business day after the date it is received.

SECTION 3. Effective date: upon passage or September 1, 2001.