

BILL ANALYSIS

Senate Research Center
79R3493 HLT-F

H.B. 573
By: Flynn (Duncan)
Finance
5/18/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

During the 78th Legislature, Regular Session, 2003, Section 2257.022, Government Code, was amended to require collateral in the amount of 110 percent for securities as described in Section 45.201(4)(D) of the Education Code. H.B. 573 amends the Education Code to limit Paragraph (D) to reducing principle balance securities. These items are higher risk and should have a higher collateral weighting. H.B. 573 also describes other obligations to be used as collateral by school 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. Reenacts Section 45.201(2), Education Code, as amended by Chapters 62 and 344, Acts of the 76th Legislature, Regular Session, 1999, to define "bank."

SECTION 2. Amends Section 45.201(4), Education Code, to redefine "approved securities."

SECTION 3. Effective date: upon passage or September 1, 2005.