

BILL ANALYSIS

Senate Research Center
76R6702 SMJ-D

S.B. 736
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Natural Resources
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As Filed

DIGEST

Currently, Texas law does not allow nonprofit water supply corporations the opportunity to make investments authorized under the Public Funds Investment Act. The laws restrict investments to government-backed bonds and interest bearing accounts at a bank or saving and loan association. S.B. 736 authorizes nonprofit water supply and sewer service corporations to have the flexibility to invest in any investment that is authorized by the Texas Public Funds Investment Act.

PURPOSE

As proposed, S.B. 736 authorizes nonprofit water supply sewer service corporations to make certain investments.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 67.014, Water Code, as follows:

Sec. 67.014 New heading: DEPOSITORY FOR FUNDS; PERMITTED INVESTMENTS.

SECTION 2. Amends Section 67.014(b), Water Code, to require funds allocated by the board of directors of a water supply or sewer corporation (board) to a sinking fund for replacement, amortization of debt, and the payment of interest that are not required to be spent in the year in which deposited, and further, to be invested in an investment that is authorized under Chapter 2256A, Government Code, and by a written investment policy approved by the nonprofit water supply or sewer service corporation board and that complies with a written investment strategy approved by the board.

SECTION 3. Emergency clause.

Effective date: upon passage.