

BILL ANALYSIS

H.B. 1612
By: Murphy
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that the temporary increase of the cap on the amount of the total investment portfolio of the Teacher Retirement System of Texas (TRS) that may be invested in hedge funds and the prudent investment strategy shown by TRS have resulted in strong returns for the system. H.B. 1612 seeks to make the increase on the cap permanent by repealing the provision setting the expiration date for the increase.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1612 amends the Government Code to raise from five percent to 10 percent the cap on the value of the total investment portfolio of the Teacher Retirement System of Texas (TRS) that may be invested in hedge funds.

H.B. 1612 repeals Section 825.3012(b-1), Government Code, which caps at 10 percent the value of the total investment portfolio of TRS that may be invested in hedge funds before September 1, 2019.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, the 91st day after the last day of the legislative session.