

BILL ANALYSIS

Senate Research Center
77R9662 JAG-F

H.B. 3333
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Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Current federal law authorizes a governmental employer to contribute to a 401(k) or 457 deferred compensation plan to benefit a plan's participant or the participant's beneficiaries. However, the Government Code does not allow participants to choose to invest in stocks, bonds, or obligations because these particular investments are not included in the definition of an "investment product." H.B. 3333 allows 401(k) and 457 deferred compensation participants to choose to invest in stocks, bonds, obligations, or other investment options.

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 609.101(3), Government Code, to redefine "investment product" to include a stock, bond, obligation, and any other investment product not prohibited under Section 457 or 401(k), Internal Revenue Code of 1986, as amended.

SECTION 2. Effective date: September 1, 2001.