

BILL ANALYSIS

Senate Research Center
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H.B. 1238
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Public housing authorities are closely regulated by the United States Department of Housing and Urban Development with respect to investment of federal funds they receive. Most, if not all, small to mid-sized housing authorities limit their investments to certificates of deposit and standard interest-bearing savings accounts.

The 10 hours of required training is far greater in scope than what is needed for the financial decision makers in most Texas housing authorities. Reducing the number of required training hours for smaller housing authorities will save federal funds by not requiring unnecessary training and travel expense while ensuring necessary protections of resources.

H.B. 1238 amends current law relating to investment training for officers of public housing authorities.

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 2256.008(a), Government Code, as amended by Chapters 222 (H.B. 1148) and 1248 (H.B. 870), Acts of the 84th Legislature, Regular Session, 2015, and amends it, as follows:

(a) Requires the treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government, except as provided by Subsections (a-1) (relating to requiring the treasurer, or the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a school district or a municipality to attend certain training), (b) (relating to authorizing that an investment entity satisfies certain training requirements), (b-1), (e) (relating to proving that this section does not apply to certain districts), and (f), to attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than 10 hours of instruction relating to investment responsibilities under this subchapter from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government, rather than except as provided by Subsections (b), (e), and (f).

SECTION 2. Amends Section 2256.008, Government Code, by adding Subsection (b-1) and amending Subsection (f), as follows:

(b-1) Authorizes a housing authority created under Chapter 392 (Housing Authorities Established by Municipalities and Counties), Local Government Code, to satisfy the training requirement provided by Subsection (a)(2) (relating to requiring a certain investment officer to attend certain training) by requiring the following person to attend, in each two-year period that begins on the first day of that housing authority's fiscal year

and consists of the two consecutive fiscal years after that date, at least five hours of appropriate instruction:

(1) the treasurer, or the chief financial officer if the treasurer is not the chief financial officer, or the investment officer; or

(2) if the authority does not have an officer described by Subdivision (1), another officer of the authority.

(f) Provides that Subsection (a)(2) does not apply to an officer of a municipality or housing authority if the municipality or housing authority does not invest municipal or housing authority funds, as applicable, or only deposits those funds, rather than municipal funds, in certain accounts.

SECTION 3. Provides that to the extent of any conflict, this Act prevails over another Act of the 85th Legislature, Regular Session, 2017, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 4. Effective date: September 1, 2017.