

CH 70, SEC 30

69th LEGIS—REGULAR SESSION

CHAPTER 71

S.B. No. 68

**An Act relating to the investment of state funds and the authority of the State Depository Board,
amending Subsections (a), (b), and (d), Section 4, Article 2525, Revised Statutes.**

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subsections (a), (b), and (d), Section 4, Article 2525, Revised Statutes, are amended to read as follows:

“(a) Said Board shall have the power to determine and designate the amount of state funds to be deposited in State Depositories, the amount of deposits that shall be ‘demand deposits,’ the amount of deposits that shall be ‘time deposits,’ and the amount of state funds that shall be invested by the State Treasurer in:

“(1) direct security repurchase agreements;

“(2) reverse security repurchase agreements;

“(3) direct obligations of or obligations the principal and interest of which are guaranteed by the United States of America;

“(4) direct obligations of or participation certificates guaranteed by the Federal Intermediate Credit Bank, Federal Land Banks, Federal National Mortgage Association, Federal Home Loan Banks, and Banks for Cooperatives [or United States Treasury bills].

“(b) The amount invested in obligations and participations authorized by Subdivisions (3) and (4) of Subsection (a) of this section [United States Treasury bills] at any one time may not exceed 20 [10] percent of the average daily balance of all state funds eligible for deposit or investment under this article. Investments in direct security repurchase agreements may be made only with state or national banks domiciled in this state.”

“(d) The term ‘demand deposits,’ as used herein, shall mean any deposit which is payable on demand, and the term ‘time deposits,’ as used herein, shall mean any deposit with reference to which there is in force a contract that neither the whole nor any part of such deposit may be withdrawn by check or otherwise prior to the expiration of the period of notice which must be given in writing in advance of withdrawals. In this section, ‘direct security repurchase agreement’ means an agreement under which the state buys [to buy], holds [hold] for a specified time, and then sells [sell] back any of the following securities, obligations, or participation certificates: United States government securities; direct obligations of or obligations the principal and interest of which are guaranteed by the United States; and direct obligations of or participation certificates guaranteed by the Federal Intermediate Credit Bank, Federal Land Banks, Federal National Mortgage Association, Federal Home Loan Banks, and Banks for Cooperatives. In this section ‘reverse security repurchase agreement’ means an agreement under which the state sells and after a specified time buys back any of the securities, obligations, or participation certificates of the types authorized by this subsection to be bought, held, and sold under a direct security repurchase agreement.”

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on January 30, 1985, by the following vote: Yeas 30, Nays 0; passed the House on April 23, 1985, by the following vote: Yeas 135, Nays 4, one present not voting.

Approved: May 3, 1985

Effective: Immediately