

CHAPTER 234

H.B. No. 696

AN ACT

relating to depositories and investment securities for local governments.

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

SECTION 1. Chapter 105, Local Government Code, is amended to read as follows:

CHAPTER 105. DEPOSITORIES FOR MUNICIPAL FUNDS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 105.001. DEFINITIONS. In this chapter:

(1) "Bank" means a state bank or a national bank domiciled in this state [~~banking corporation or association or an individual banker~~].

(2) "Credit union" means a state credit union or federal credit union domiciled in this state.

(3) [(2)] "Demand deposit" means a deposit of funds that may be withdrawn on the demand of the depositor.

(4) [(3)] "Depository" means the bank, credit union, or savings association selected by the municipality to provide depository services.

(5) "Time deposit" means a deposit of funds subject to a contract between the depositor and the depository under which the depositor may not withdraw any of the funds by check or by another manner until the expiration of a certain period following written notice of the depositor's intent to withdraw the funds.

(6) [(4)] "Depository services" means the receipt and disbursement of funds by a depository in accordance with the terms of a depository services contract [~~"Secretary of a municipality" includes the clerk of a municipality~~].

(7) "Depository services contract" means a contract executed by a municipality and a depository containing terms and conditions relating to the depository services to be provided by the depository.

(8) "Designated officer" means the treasurer of a municipality or other officer of the municipality so designated by the governing body of a municipality.

(9) "Federal credit union" means a credit union organized under the Federal Credit Union Act (12 U.S.C. Section 1751 et seq.).

(10) "Federal savings association" means a savings and loan association or a savings bank organized under federal law.

(11) "National bank" means a banking corporation organized under the provisions of 12 U.S.C. Section 21.

(12) "Savings association" means a state savings association or a federal savings association domiciled in this state.

(13) "State bank" has the meaning assigned by The Texas Banking Code (Article 342-101 et seq., Vernon's Texas Civil Statutes).

(14) "State credit union" means a credit union organized under the Texas Credit Union Act (Article 2461-1.01 et seq., Vernon's Texas Civil Statutes).

(15) "State savings association" means any savings and loan association or savings bank organized under the laws of this state.

Sec. 105.002. FUNDS AFFECTED. This chapter applies to the funds, including school funds, of any municipality or any department or agency of the municipality [~~including any school funds of the municipality~~].

[Sections 105.003-105.010 reserved for expansion]

SUBCHAPTER B. ESTABLISHMENT OF DEPOSITORY

Sec. 105.011. DEPOSITORY AUTHORIZED. (a) Before awarding a depository services contract to a depository, the governing body of a municipality shall receive applications for the performance of depository services from one or more banks, credit unions, or savings associations [~~At a meeting held at any time, the governing body of a municipality may receive applications from one or more banks for the deposit of the municipality's funds~~].

(b) The governing body may consider the application of a bank, credit union, or savings association that is not doing business within the municipality if:

(1) the bank, credit union, or savings association maintains a place of business within the state and offers within the state the services required by the depository services contract; and

(2) the governing body, prior to giving the notice required by Section 105.012, has adopted a written policy expressly permitting the consideration of applications received by the municipality from a bank, credit union, or savings association that is not doing business within the municipality, after taking into consideration what is in the best interest of the municipality in establishing a depository.

(c) ~~The designated officer shall request, receive, and review applications for the performance of depository services. The designated officer shall present the specifications of each application to the governing body who will then select a depository [If two or more banks are doing business within a municipality, the governing body may consider the applications of only those banks. However, a general-law municipality with a population of more than 20,000 may consider applications from any bank located in the county in which the municipality is located or in an adjacent county].~~

Sec. 105.012. NOTICE. (a) ~~The designated officer shall give notice to banks, credit unions, and savings associations requesting the submission of applications for the performance of depository services.~~

(b) ~~The notice must contain:~~

(1) ~~the name and address of the designated officer receiving the applications;~~

(2) ~~the date and time the applications are to be received by the designated officer; and~~

(3) ~~the date, time, and place the governing body of the municipality will consider the selection of one or more depositories.~~

(c) ~~Notice of the request shall be published at least once no later than 21 days prior to the deadline for receipt of applications for depository services contracts (i) in a newspaper of general circulation in the municipality and (ii) in a financial publication of general circulation published within this state; provided, that the notice required by clause (ii) shall not be required if the governing body has not adopted the written policy described in Section 105.011 [Not earlier than four weeks or later than one week before the date of the meeting, the secretary of the municipality shall publish at least once in a newspaper published in the municipality a notice of the meeting at which applications are to be received].~~

Sec. 105.013. APPLICATION. ~~The designated officer may not consider an application if it is received after the date specified in the notice for receiving applications by the designated officer [A bank desiring to be selected as a municipal depository must deliver its application to the secretary of the municipality on or before the date of the meeting at which applications are to be received].~~

Sec. 105.014. REVIEW OF APPLICATIONS. ~~In reviewing the applications, the designated officer shall consider the terms and conditions for the performance of depository services, including the type and cost of services to be provided to the municipality, consistent with any policy guidelines adopted by the governing body regarding the selection of one or more depositories.~~

Sec. 105.015. SELECTION OF DEPOSITORY. (a) ~~The governing body of a municipality may authorize the designated officer to execute on the municipality's behalf one or more depository services contracts [After considering the applications, the governing body of the municipality shall select as municipal depositories one or more banks that offer the most favorable terms and conditions for the handling of the municipal funds].~~

(b) ~~The governing body may reject any of the applications and readvertise if all [for] applications are rejected.~~

(c) ~~The conflict of interests provisions of [Chapter 179, Acts of the 60th Legislature, Regular Session, 1967 (Article 2529c, Vernon's Texas Civil Statutes),] apply to the selector of the depositories.~~

Sec. 105.016 [105.015]. DESIGNATION OF DEPOSITORY. (a) ~~The [When security is provided in accordance with Subchapter C and is approved by the governing body of the municipality, the] governing body shall designate, by an order recorded in its minutes, the~~

bank, credit union, or savings association to serve as a depository for the municipality's funds.

(b) If a bank, credit union, or savings association selected as a municipal depository does not provide security by the deadline prescribed by Section 105.031, the selection of the bank, credit union, or savings association [of the bank] as a depository is void, and the governing body may consider the application it deems to be the next most advantageous depository services application [shall publish notice, receive applications, and select another depository in the regular manner].

Sec. 105.017. *TERM OF DEPOSITORY CONTRACT.* A municipality may approve, execute, and deliver any depository services contract whose term does not exceed five years. The depository services contract may only contain terms and conditions approved by the governing body of the municipality.

Sec. 105.018. *ADDITIONAL SERVICES.* In addition to depository services, a municipality may contract with financial institutions, including banks, credit unions, and savings associations, for additional financial services under a separate contract if the governing body of the municipality determines that additional financial services are necessary in the administration, collection, investment, and transfer of municipal funds.

[Sections 105.019 [105.016]–105.030 reserved for expansion]

SUBCHAPTER C. SECURITY FOR FUNDS HELD BY DEPOSITORY

Sec. 105.031. *QUALIFICATION AS DEPOSITORY.* (a) The bank or savings association, to qualify as a municipal depository, must, not later than five days before the commencement of the term of the depository services contract, provide security for the municipal funds to be deposited in accordance with the terms of the depository services contract [Within five days after the date a bank is selected as a municipal depository, the bank must qualify as a depository by providing security for the municipal funds to be deposited with the bank].

(b) The Public Funds Collateral Act (Article 2529d, Vernon's Texas Civil Statutes) governs the type, level, substitution, possession, release, and method of valuation of the security necessary to secure the deposit of municipal funds.

(c) The bank, credit union, or savings association may use personal bonds, surety bonds, or any combination to secure municipal funds only if each personal bond and surety bond is specifically approved by the governing body of the municipality or its designated officer [The bank may secure the municipal funds, at the option of the governing body of the municipality, by:

[1] personal bond; surety bond; bonds, notes, or other securities; or a combination of these methods, as provided by this subchapter; or

[2] investment securities or interests in them as provided by Chapter 726, Acts of the 67th Legislature, Regular Session, 1981 (Article 2529b-1, Vernon's Texas Civil Statutes)].

Sec. 105.032. *PERSONAL BOND.* (a) One or more personal bonds executed and filed with the governing body of the municipality or its designated officer, payable to the municipality, qualify as security under this subchapter if:

(1) the bonds are signed by at least five solvent sureties who:

(A) own unencumbered real property in the state that has a value at least equal to the amount of the bonds and that is not exempt from execution under the constitution and other laws of this state; or

(B) have an aggregate net worth at least equal to the amount of the bonds; and

(2) the bonds are approved by the governing body or its designated officer.

(b) When a bond is filed for approval under Subsection (a)(1)(A), the sureties shall also file with the governing body a statement containing:

(1) a description of the unencumbered and nonexempt real property sufficient to identify the secured property [it on the ground]; and

(2) a fair estimate of the value of each tract of real property listed, including the value of any improvements on the property.

(c) When a bond is filed for approval under Subsection (a)(1)(B), the sureties shall also file with the governing body *or designated officer of the municipality* an itemized and verified financial statement showing that the aggregate net worth of the sureties is at least equal to the amount of the bonds.

(d) After the governing body approves a personal bond, it shall be filed with the secretary *and the designated officer* of the municipality. The statement required by Subsection (c) shall be attached to the bond.

Sec. 105.033. SURETY BOND. (a) One or more bonds issued and executed by one or more solvent surety companies authorized to do business in this state, payable to the municipality and filed with the *secretary and the designated officer* [~~governing body~~] of the municipality, qualify as security under this subchapter if the bonds are approved by the governing body.

(b) After the governing body approves a surety bond, it shall be filed with the secretary *and the designated officer* of the municipality.

Sec. 105.034. ~~CONDITIONS TO ACTING AS DEPOSITORY [BONDS, NOTES, AND OTHER SECURITIES]~~. (a) ~~The depository shall:~~

~~(1) keep the municipal funds covered by the depository services contract;~~

~~(2) perform all duties and obligations imposed on the depository by law and under the depository services contract;~~

~~(3) pay on presentation all checks drawn and properly payable on a demand deposit account with the depository;~~

~~(4) pay all transfers properly payable as directed by a designated officer;~~

~~(5) provide and maintain security at the level required by the provisions of the Public Funds Collateral Act (Article 2529d, Vernon's Texas Civil Statutes); and~~

~~(6) account for the municipal funds as required by law.~~

~~(b) Any suit brought in connection with a depository services contract must be tried in the county in which the city hall of the municipality is located. [If approved by the governing body as to kind and value, a municipal depository may pledge with the governing body of the municipality as security under this subchapter:~~

~~[(1) a bond, certificate of indebtedness, or treasury note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States;~~

~~[(2) a bond of this state or of a county, municipality, independent school district, common school district, or other school district in this state;~~

~~[(3) a bond issued under the federal farm loan acts;~~

~~[(4) a road district bond;~~

~~[(5) a bond, pledge, or other evidence of indebtedness issued by the board of regents of The University of Texas System;~~

~~[(6) a note or bond secured by mortgages insured and debentures issued by the Federal Housing Administration;~~

~~[(7) shares or share accounts of a savings and loan association organized under the laws of this state or of a federal savings and loan association domiciled in this state if the payment of the share or share accounts is insured by the Federal Savings and Loan Insurance Corporation;~~

~~[(8) bank acceptances of banks that have a capital stock of at least \$500,000; or~~

~~[(9) a bond issued by a municipal corporation in this state.~~

~~[Sec. 105.035. CONDITION OF PERSONAL BOND OR CONTRACT FOR SECURITIES. (a) A personal bond or surety bond provided, or a contract for the pledge of securities under this subchapter, must be conditioned that the depository will:~~

~~[(1) faithfully keep the municipal funds and faithfully perform the duties and obligations imposed by law on the depository;~~

~~[(2) pay on presentation all checks drawn on a demand deposit account with the depository;~~

~~[(3) pay all checks drawn on a time deposit account on presentation by the treasurer of the municipality after the required period of notice; and~~

~~[(4) account for the municipal funds as required by law.~~

~~[(b) A suit on a personal bond, surety bond, or contract for securities provided or pledged under this subchapter must be tried in the county in which the municipality is located.~~

~~[Sec. 105.036. AMOUNT OF SECURITY REQUIRED. (a) Personal or surety bonds that secure municipal funds in a depository must be in an amount at least equal to the total amount of the revenue of the municipality for the year preceding the year for which the bonds are made.~~

~~[(b) Securities pledged to secure municipal funds on deposit in a depository must be in an amount equal to the amount of those funds. The value of the securities is determined by the governing body of the municipality, and that determination is final and is binding on the depository.~~

~~[Sec. 105.037. SECURITY NOT REQUIRED FOR FEDERALLY INSURED DEPOSITS. A depository is not required to provide security for the deposit of municipal funds to the extent the deposits are insured under 12 U.S.C.A. Sections 1811-1832.]~~

[Sections 105.035 [105.038]-105.050 reserved for expansion]

SUBCHAPTER D. MAINTENANCE AND MODIFICATION OF SECURITY

Sec. 105.051. *MAINTENANCE OF [NEW] SECURITY.* (a) *A depository services contract shall contain terms and conditions relating to the possession, substitution, or release of security, including:*

(1) requiring the depository to execute a new bond or pledge additional securities for the deposit of municipal funds;

(2) substituting one security for another;

(3) releasing securities pledged by a depository in excess of the amount required by this chapter;

(4) the time period in which such addition, substitution, or release of security by a depository may occur; and

(5) other matters relating to the possession, substitution, or release of security the municipality considers necessary for its protection [The governing body of the municipality may by written order require a depository to execute a new bond or pledge additional or other securities at any time the governing body considers it advisable or considers it necessary for the protection of the municipality].

(b) *If a depository fails for any reason to comply with the requirements governing the possession, substitution, or release of security [file the required new bond or pledge the required securities within five days after the date the depository is served with a copy of the order], the governing body may select a new depository in the [regular] manner provided in this chapter.*

Sec. 105.052. *[SUBSTITUTION OF SECURITIES. (a) A depository is entitled to substitute one type of security for another if the substituting security meets the requirements of law and is approved by the governing body of the municipality.*

[(b) The governing body may direct the manner in which securities pledged in place of personal or surety bonds are to be deposited.

[Sec. 105.053. RELEASE OF EXCESS SECURITY. If the securities pledged by a depository to secure municipal funds exceed the amount required by this chapter, the governing body of the municipality shall permit the release of the excess.

~~[Sec. 105.054. INADEQUATE SECURITY. If for any reason the municipal funds on deposit with a depository exceed the amount of security pledged, the depository shall immediately pledge additional securities with the governing body of the municipality.]~~

~~[Sec. 105.055.] SOLVENCY OF PERSONAL SURETY. (a) At least twice each year while a personal bond securing municipal deposits is in effect, the *designated officer of the municipality* [governing body of the municipality] shall investigate the solvency of each surety on the bond. The *governing body of the municipality or its designated officer* [governing body] may require a surety to make an itemized and verified financial statement accurately showing the surety's financial position and, if the bond requires the surety to own real property, identifying each tract of real property owned by the surety and stating its value.~~

~~(b) The governing body of the municipality shall require a depository to provide a new bond meeting the requirements of this chapter if a financial statement provided under Subsection (a) indicates that:~~

- ~~(1) a surety is insolvent;~~
- ~~(2) a surety's net worth is less than the amount required by this chapter;~~
- ~~(3) the assets listed are depreciated or their value is in any way impaired; or~~
- ~~(4) real property required by the bond has been disposed of or encumbered and the value of the remaining unencumbered and nonexempt real property is insufficient to meet the requirements of this chapter.~~

~~Sec. 105.053 [105.056]. SOLVENCY OF SURETY COMPANY AND ADEQUACY OF SECURITIES. At any time the governing body of the municipality considers it necessary for the protection of the municipality, the governing body may *direct the designated officer* to investigate the solvency of a surety company that issues a bond on behalf of a municipal depository or investigate the value of securities pledged by a depository to secure municipal funds.~~

~~Sec. 105.054 [105.057]. SURRENDER OF INTEREST ON SECURITIES. *Except as provided for in the collateral policies of the municipality adopted in accordance with the Public Funds Collateral Act (Article 2529d, Vernon's Texas Civil Statutes), on [On] request of a municipal depository, the [governing body of the] municipality shall surrender, when due, interest coupons or other evidence of interest on securities deposited by the depository with the governing body if the securities remaining pledged by the depository are adequate to meet the requirements of this chapter and of the governing body.*~~

[Sections 105.055 [105.058]–105.070 reserved for expansion]

SUBCHAPTER E. DEPOSITORY ACCOUNTS

~~Sec. 105.071. CHARACTER AND AMOUNT OF DEPOSITS. (a) The governing body of the municipality may determine and designate *in the depository services contract* the character and amount of municipal funds that will be demand deposits. *However, the municipality has the right to maintain other investments of municipal funds in accordance with the investment policy adopted by the municipality* [and that will be time deposits].~~

~~(b) The *designated officer* [governing body] may contract with a depository for interest on time deposits, *including, without limitation, certificates of deposit*, at any legal rate under federal or state law, [or under a] rule, or regulation [adopted by the board of governors of the Federal Reserve System or by the board of directors of the Federal Deposit Insurance Corporation].~~

~~Sec. 105.072. INVESTMENTS [IN UNITED STATES SECURITIES]. *The provisions of Chapter 810, Acts of the 66th Legislature, Regular Session, 1979 (Article 4413(34c), Vernon's Texas Civil Statutes), and the Public Funds Investment Act of 1987 (Article 842a-2, Vernon's Texas Civil Statutes) shall govern the investment of municipal funds* [The governing body of the municipality may direct the treasurer of the municipality to withdraw any municipal funds deposited in a depository that are not immediately required to pay obligations of the municipality and invest those funds in direct debt securities of the United~~

~~States unless such an investment or withdrawal is expressly prohibited by law or the withdrawal is contrary to the terms of the depository contract].~~

Sec. 105.073. DEPOSIT OF FUNDS. *Not later than 60 days from the date [Immediately after] the governing body of the municipality designates a [municipal] depository in accordance with the provisions of Section 105.016, the designated officer of the municipality [treasurer of the municipality] shall transfer to the depository all the municipal funds covered by the depository services contract under the [treasurer's] control of the designated officer. The designated officer of the municipality [treasurer] shall as soon as practicable also [immediately] deposit in the depository to the credit of the municipality any money covered by the depository services contract received after the depository is designated.*

Sec. 105.074. PAYMENT OF FUNDS ~~[DRAWING OF CHECKS AND WARRANTS]~~.
(a) The funds of the municipality may be paid out of a depository only at ~~[on]~~ the direction of a designated officer ~~[checks of the treasurer of the municipality]~~.

(b) Except as provided in Subsection (g) ~~[in a municipality that operates under a municipal charter provision that provides for the drawing of checks or warrants on the depository or municipal funds in a manner different from that prescribed by this section], a designated officer [treasurer] may draw a check on a depository only on a warrant signed by the mayor and attested by the secretary of the municipality.~~

(c) If there is sufficient money in a fund in a depository against which the proper authority has drawn a warrant, the designated officer ~~[treasurer]~~ on presentation of the warrant shall draw a check on the depository in favor of the legal holder of the warrant, retain the warrant, and charge the warrant against the fund on which it is drawn. The designated officer ~~[treasurer]~~ may not draw a warrant on a fund in a depository unless the fund has sufficient money to pay the warrant.

(d) A designated officer ~~[treasurer]~~ may not draw a check on any funds designated in the depository services contract as time deposits until notice has been given and the notice period has expired under the terms of the contract with the depository.

(e) The mayor and secretary of the municipality may not draw a warrant on a special fund in a depository or under the control of the designated officer ~~[treasurer]~~ that was created to pay the bonded indebtedness of the municipality other than to pay the principal of or interest on the indebtedness or to invest the fund as provided by law.

(f) The designated officer ~~[treasurer]~~ may not pay or draw a check to pay money out of a special fund that was created to pay the bonded indebtedness of the municipality other than to pay the principal of or interest on the indebtedness or to invest the fund as provided by law.

(g) *Notwithstanding the provisions of Subsections (b) through (f), the governing body of a municipality may adopt procedures:*

(1) governing the method by which the designated officer is authorized to direct payments from the funds of the municipality on deposit with a depository;

(2) governing the method of payment of obligations of the municipality, including payment by check, draft, wire transfer, or other method of payment mutually acceptable to the municipality and the depository; and

(3) the governing body determines are necessary to ensure the safety and integrity of the payment process.

(h) *If a municipality adopts procedures in accordance with Subsection (g), a copy of the adopted procedures shall be filed with the depository. The designated officer and the depository shall agree upon record-keeping safeguards and other measures necessary to ensure the safety and integrity of the payment process. The safeguards must be approved by the governing body of the municipality if the governing body finds that the safeguards are consistent with and do not contravene the procedures adopted under Subsection (g).*

Sec. 105.075. CHECKS PAYABLE AT DEPOSITORY. Checks drawn by the treasurer of the municipality against municipal funds on deposit are payable by the depository at its place of business in the municipality.

Sec. 105.076. DEBTS PAYABLE OTHER THAN AT MUNICIPAL TREASURY. The governing body of the municipality may direct the designated officer ~~[treasurer of the~~

municipality] to withdraw from a depository and deposit money sufficient to pay a bond, coupon, or other indebtedness of the municipality at a place other than at the municipal treasury if by its terms the indebtedness is payable on maturity or upon redemption prior to maturity at the other location.

[Sections 105.077–105.090 reserved for expansion]

SUBCHAPTER F. LIABILITY AND REPORT OF
DESIGNATED OFFICER [TREASURER]

Sec. 105.091. LIABILITY OF DESIGNATED OFFICER [TREASURER]. The *designated officer* [~~treasurer of the municipality~~] is not responsible for any loss of municipal funds through the negligence, failure, or wrongful act of a depository. This section does not release the *designated officer* [~~treasurer~~] from responsibility for a loss resulting from the official misconduct of the *designated officer* [~~treasurer~~], including a misappropriation of the funds, or from responsibility for the funds until a depository is selected and the funds are deposited.

Sec. 105.092. REPORT BY DESIGNATED OFFICER [TREASURER]. *In conjunction with the publication of the annual financial statement of the municipality* [~~On or before the first regular meeting of the governing body of the municipality in July of each year~~], the *designated officer* [~~treasurer of the municipality~~] shall prepare a report which shall describe in summary form [~~to the governing body~~]:

- (1) the amount of receipts and expenditures of the municipal treasury;
- (2) the amount of money on hand in each fund;
- (3) the amount of bonds becoming due for redemption that require action;
- (4) the amount of interest to be paid during the next fiscal year; and
- (5) any other information required by law to be reported by the *designated officer* [~~treasurer~~].

SECTION 2. Section 2(6), Public Funds Collateral Act (Article 2529d, Vernon's Texas Civil Statutes), is amended to read as follows:

(6) "Investment security" means:

(A) a direct obligation of the United States;

(B) an obligation that in the opinion of the Attorney General of the United States is a general obligation of the United States and backed by its full faith and credit;

(C) an obligation, the principal of and interest on which are unconditionally guaranteed by the United States;

(D) an obligation of an agency or instrumentality of the United States, including a mortgage-backed security of the agency or instrumentality;

(E) a general or special obligation issued by a public agency, payable from taxes, revenues, or a combination of taxes and revenues [~~that has been rated as to investment quality by a nationally recognized rating agency and that has a current rating of not less than A or its equivalent~~]; and

(F) any security in which a public entity may invest under the Public Funds Investment Act of 1987 (Article 842a-2, Vernon's Texas Civil Statutes).

SECTION 3. Section 131.901(b), Local Government Code, is amended to read as follows:

(b) An institution selected as a paying agent or trustee for specific bonds or obligations or an institution selected by the governing body to provide safekeeping services is not considered a depository for purposes of this section.

SECTION 4. Section 116.001(1), Local Government Code, is amended to read as follows:

(1) "Bank" means a banking corporation, [or] association or an individual banker, savings and loan association or savings bank organized under the laws of this state, or a savings and loan association or savings bank organized under federal law.

SECTION 5. Section 23.73(2), Education Code, is amended to read as follows:

(2) "Bank" means a state bank authorized and regulated under the laws of the state pertaining to banking and in particular authorized and regulated by the Banking Department Self-Support and Administration Act, [~~or~~] a national bank, *a savings and loan association or savings bank* authorized and regulated by federal law, *or a savings and loan association or savings bank organized under the laws of this state*, but does not include any bank the deposits of which are not insured by the Federal Deposit Insurance Corporation.

SECTION 6. This Act takes effect September 1, 1993.

SECTION 7. 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.

Passed by the House on April 1, 1993, by a non-record vote; the House concurred in Senate amendments to H.B. No. 696 on May 10, 1993, by a non-record vote; passed by the Senate, with amendments, on May 5, 1993, by a viva-voce vote.

Approved May 20, 1993.

Effective Sept. 1, 1993.