

1-1 By: Watson S.B. No. 1138
 1-2 (In the Senate - Filed February 26, 2019; March 7, 2019,
 1-3 read first time and referred to Committee on Finance;
 1-4 April 16, 2019, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 13, Nays 0; April 16, 2019,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23			X	

1-24 COMMITTEE SUBSTITUTE FOR S.B. No. 1138 By: Watson

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to security instruments entered into by the Texas Treasury
 1-28 Safekeeping Trust Company.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Section 404.103(b), Government Code, is amended
 1-31 to read as follows:

1-32 (b) The trust company may enter into contracts, trust
 1-33 agreements, or other fiduciary instruments with the comptroller,
 1-34 the Federal Reserve System, a depository trust company, and other
 1-35 third parties. The trust company shall be liable under those
 1-36 contracts in accordance with the terms contained in the contracts.
 1-37 Notwithstanding any other statute to the contrary, to the extent
 1-38 permitted by the Texas Constitution and the contracts, trust
 1-39 agreements, or other fiduciary instruments between the trust
 1-40 company, the Federal Reserve System, and a depository trust
 1-41 company, the trust company's obligations shall be guaranteed by the
 1-42 state, and the state expressly waives all defenses of governmental
 1-43 immunity by and on behalf of the trust company, the comptroller, and
 1-44 the state, and expressly consents to sue and be sued in federal
 1-45 court or in any court of competent jurisdiction. Notwithstanding
 1-46 any other statute to the contrary, to the extent permitted by the
 1-47 Texas Constitution and the securities instruments between the trust
 1-48 company and third parties, the trust company's obligations shall be
 1-49 guaranteed only by the reserve balances held by the trust company
 1-50 under Section 404.105, and the state expressly waives all defenses
 1-51 of governmental immunity by and on behalf of the trust company, and
 1-52 the state expressly consents by and on behalf of the trust company
 1-53 to sue and be sued in federal court or in any court of competent
 1-54 jurisdiction. However, this provision does not alter or affect the
 1-55 immunity accorded to state officials and employees under state law.
 1-56 The trust company may enter into contracts with the comptroller and
 1-57 the Federal Reserve System to provide any services that the Federal
 1-58 Reserve System makes available, including:

1-59 (1) safekeeping book-entry United States Treasury and
 1-60 agency securities owned by the state and its agencies;

2-1 (2) using the federal reserve wire transfer system to
2-2 transfer money and book-entry securities and to settle securities
2-3 transactions involving book-entry United States Treasury and
2-4 agency securities owned by the state and its agencies;

2-5 (3) collecting, through the Federal Reserve System,
2-6 checks deposited with the treasury;

2-7 (4) receiving payments from and making payments to the
2-8 federal government on behalf of the state and its agencies;

2-9 (5) originating automated clearinghouse transactions
2-10 or other electronic transfers to make payments on behalf of the
2-11 state and its agencies, collecting revenues due the state and its
2-12 agencies, and transferring money between state depositories;

2-13 (6) paying warrants drawn on the treasury and
2-14 presented through the Federal Reserve System for payment; and

2-15 (7) safekeeping collateral pledged to secure deposits
2-16 of public funds.

2-17 SECTION 2. The changes in law made by this Act apply only to
2-18 a security instrument entered into on or after the effective date of
2-19 this Act. A security instrument entered into before the effective
2-20 date of this Act is subject to the law in effect on the date that the
2-21 security was entered into, and that law is continued in effect for
2-22 that purpose.

2-23 SECTION 3. This Act takes effect immediately if it receives
2-24 a vote of two-thirds of all the members elected to each house, as
2-25 provided by Section 39, Article III, Texas Constitution. If this
2-26 Act does not receive the vote necessary for immediate effect, this
2-27 Act takes effect September 1, 2019.

2-28 * * * * *