

LOCAL GOVERNMENT CODE

TITLE 4. FINANCES

SUBTITLE A. MUNICIPAL FINANCES

CHAPTER 104. MUNICIPAL INVESTMENT OF TRUST FUNDS AND SPECIAL
DEPOSITS

Sec. 104.001. CHAPTER APPLICABLE TO CERTAIN HOME-RULE MUNICIPALITIES. This chapter applies only to a home-rule municipality with a population of one million or more whose charter provides for an elected comptroller, auditor, or treasurer. Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1991, 72nd Leg., ch. 597, Sec. 86, eff. Sept. 1, 1991.

Sec. 104.002. AUTHORITY TO MAKE INVESTMENTS. (a) The municipality may invest trust funds and special deposits in the custody of the municipality.

(b) The municipal official responsible for managing and conducting the municipality's fiscal affairs shall make the investments. The investments are subject to the supervision and control of the governing body, as established by ordinance.

(c) The municipality may invest the funds in amounts that are not required for immediate disbursement according to official estimates by purchasing obligations of the United States government or by placing the funds in time deposit accounts with one or more depository banks of the municipality.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 104.003. EFFECT OF EARLY WITHDRAWAL. If any of the funds placed in time deposit accounts are required before maturity, they shall be made available by the depository bank, but the bank is not liable for interest earned on any amount withdrawn before maturity.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 104.004. INTEREST. The municipal official responsible for managing and conducting the fiscal affairs shall receive the interest earned on the investments and shall place the interest in

the municipal general fund as compensation to the municipality for holding and handling the trust funds and special deposits for the benefit of the persons ultimately entitled to receive the funds and deposits.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Sec. 104.005. CUMULATIVE EFFECT WITH CHARTER PROVISIONS.

This chapter is cumulative of the municipal powers of investment derived from the municipal charter.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.