

By: Meyer

H.B. No. 3258

A BILL TO BE ENTITLED

AN ACT

relating to the investment of a portion of the economic stabilization fund balance and the dedication of certain interest earned on the fund balance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 404, Government Code, is amended by adding Section 404.0241 to read as follows:

Sec. 404.0241. INVESTMENT OF CERTAIN ECONOMIC STABILIZATION FUND BALANCES. (a) For purposes of this section, the balance of the economic stabilization fund includes all liquid assets of the fund, all investments of fund money, and all net earnings and losses on those investments.

(b) The comptroller shall invest a portion of the economic stabilization fund balance as determined under Subsection (c) or (d) in accordance with the investment standard described by Section 404.024(j). The comptroller's investment of that balance is not subject to any other limitation or other requirement provided by Section 404.024. The expenses of managing the fund shall be paid from the fund.

(c) Not later than December 1 of each even-numbered year, the select committee appointed under Section 316.092 shall determine the portion of the economic stabilization fund balance that the comptroller is authorized to invest in accordance with Subsection (b) during the succeeding state fiscal biennium. The

1 select committee may express the portion as a specific amount or as
2 a percentage of the fund balance as of one or more prescribed dates.

3 (d) Notwithstanding Subsection (c), for each state fiscal
4 biennium beginning with the first state fiscal biennium that begins
5 after the date Section 316.092 expires, the portion of the economic
6 stabilization fund balance that the comptroller is required to
7 invest in accordance with Subsection (b) for a state fiscal
8 biennium is equal to the amount that is the lesser of:

9 (1) an amount equal to 50 percent of the economic
10 stabilization fund balance on the first day of the state fiscal
11 biennium; or

12 (2) the amount that would result if the portion of the
13 fund specified by the select committee for investment in that
14 manner during the last state fiscal biennium for which the
15 committee specified a portion were applied.

16 (e) The comptroller shall adjust the investment portfolio
17 of economic stabilization fund money periodically or as necessary
18 to ensure that only the portion of the economic stabilization fund
19 balance that the comptroller is authorized to invest in accordance
20 with Subsection (b) is invested in that manner.

21 SECTION 2. Subchapter E, Chapter 404, Government Code, is
22 amended by adding Section 404.0711 to read as follows:

23 Sec. 404.0711. DEDICATION OF CERTAIN INTEREST. (a) This
24 section applies only to interest otherwise due to the economic
25 stabilization fund that the comptroller credits to the general
26 revenue fund as required by Section 49-g(i), Article III, Texas
27 Constitution.

1 (b) The comptroller shall credit money to which this section
2 applies to the following accounts in the general revenue fund:

3 (1) one-third to an account from which money may be
4 appropriated only to pay state debt;

5 (2) one-third to an account from which money may be
6 appropriated only for graduate medical education programs; and

7 (3) the remainder to an account from which money may be
8 appropriated only for the Texas Research Incentive Program (TRIP).

9 (c) The accounts specified in this section are exempt from
10 the application of Section [403.095](#).

11 SECTION 3. This Act takes effect September 1, 2015.