

By: Seliger

S.B. No. 1927

A BILL TO BE ENTITLED

AN ACT

relating to the investment of a portion of the economic  
stabilization 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) The comptroller, with the  
approval of the Legislative Budget Board under Subsection (c), may  
invest an amount of the economic stabilization fund equal to the  
sufficient balance adopted under Section 316.092(d) for the  
applicable state fiscal biennium in accordance with the investment  
standard described by Section 404.024(j). The comptroller's  
investment under this subsection is not subject to any other  
limitation or other requirement provided by Section 404.024.

(b) The comptroller, with the approval of the Legislative  
Budget Board under Subsection (c), shall adjust the investment  
portfolio of economic stabilization fund money periodically to  
ensure that, as appropriated money is withdrawn or money is  
otherwise transferred from the fund or as the sufficient balance  
adopted under Section 316.092(d) changes, only the amount of funds  
specified by Subsection (a) is invested in a manner that does not  
comply with all limitations and other requirements of Section  
404.024.

1        (c) Not later than February 1 of each year, the comptroller,  
2 in consultation with the investment advisory board established  
3 under Section 404.028, shall submit to the Legislative Budget Board  
4 at least two investment plans detailing proposed investments under  
5 Subsection (a) or adjustments under Subsection (b). At least one of  
6 the proposed investment plans may not provide for any participation  
7 by the Texas Treasury Safekeeping Trust Company. Not later than the  
8 30th day after the date of receiving proposed investment plans from  
9 the comptroller, the Legislative Budget Board shall conduct and the  
10 comptroller shall attend a public hearing on the proposed  
11 investment plans. The Legislative Budget Board shall approve or  
12 disapprove each proposed investment plan not later than the 10th  
13 day after the date of the hearing. If, after the 10th day after the  
14 date of a hearing, the Legislative Budget Board has not approved an  
15 investment plan, the comptroller may, not later than the 40th day  
16 after the date of the hearing, submit additional investment plans  
17 to the board in the manner described by this section.

18        (d) Not later than January 1 of each year, the Legislative  
19 Budget Board, in consultation with the comptroller, shall publish  
20 an annual report on the risk-adjusted performance of investments  
21 under this section during the fiscal year ending on the preceding  
22 August 31. The comptroller shall provide the Legislative Budget  
23 Board with the information the board requests regarding the  
24 performance of the investments under this section and, at the  
25 request of the board, shall appear before the board to present  
26 information and receive questions and comments. The annual report  
27 must include:

1           (1) statements of assets and a schedule of changes in  
2 book value of the investments under this section;

3           (2) a summary of the gains, losses, and income from  
4 investments under this section on August 31;

5           (3) an itemized list of the securities held as  
6 investments under this section on August 31; and

7           (4) any other information needed to clearly indicate  
8 the nature and extent of the investments under this section and the  
9 income realized from those investments.

10          (e) The comptroller and the Legislative Budget Board shall  
11 each make the report described by Subsection (d) available on the  
12 respective agency's Internet website.

13          (f) Funds invested under this section are considered for all  
14 purposes to be part of the economic stabilization fund.

15          SECTION 2. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2015.