

Amend CSHB 855 (house committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Sections 316.093(a), (b), and (f), Government Code, are amended to read as follows:

(a) Before the comptroller makes transfers for a state fiscal year in accordance with Section 49-g(c), Article III, Texas Constitution, the comptroller shall determine whether the sum of the balance of the fund on the preceding August 31, any projected transfer to the fund under Section 49-g(b) of that article, and any projected transfer to the fund under Section 49-g(c) of that article in accordance with the allocations for the transfer as provided by Section 49-g(c-1) of that article is less than the sufficient balance adopted under Section 404.074 [~~316.092~~].

(b) If the sum described by Subsection (a) is less than the sufficient balance adopted under Section 404.074 [~~316.092~~], the comptroller shall reduce the allocation to the state highway fund provided by Section 49-g(c), Article III, Texas Constitution, and increase the allocation to the economic stabilization fund, in an equal amount, until the sufficient balance adopted under Section 404.074 [~~316.092~~] is achieved.

(f) Subsections (a) and[~~7~~] (b)[~~7~~, ~~and~~ (~~c~~)] and this subsection expire December 31, 2024.

SECTION 2. Subchapter C, Chapter 404, Government Code, is amended by adding Sections 404.0242 and 404.0243 to read as follows:

Sec. 404.0242. MANAGEMENT AND INVESTMENT OF ECONOMIC STABILIZATION FUND ACCOUNTS. (a) To manage economic stabilization fund investments, the comptroller shall establish the following accounts in the economic stabilization fund:

- (1) the Texas stabilization account; and
- (2) the Texas legacy account.

(b) In managing the assets of an account established under this section, the comptroller, through procedures and subject to restrictions the comptroller establishes for each account and in amounts the comptroller considers appropriate for each account, may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor exercising reasonable care,

skill, and caution would acquire, exchange, sell, supervise, manage, or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing for the account, taking into consideration the investment of all the assets of the account rather than a single investment.

(c) Section 404.024 does not apply to the investment of the assets of an account established under this section.

Sec. 404.0243. INVESTMENT OBJECTIVES AND PURPOSES OF ECONOMIC STABILIZATION FUND ACCOUNTS. (a) The investment objectives and purposes of the Texas stabilization account in the economic stabilization fund are to preserve:

(1) the account's principal;

(2) the purchasing power of the account's principal;

and

(3) the liquidity of the account.

(b) The investment objectives and purposes of the Texas legacy account in the economic stabilization fund are to generate earnings on the account's principal to:

(1) maintain the purchasing power of that principal and if possible, increase that purchasing power; and

(2) provide for predictable and stable annual earnings.

SECTION 3. Subchapter E, Chapter 404, Government Code, is amended by adding Section 404.074 to read as follows:

Sec. 404.074. SUFFICIENT BALANCE OF TEXAS STABILIZATION ACCOUNT. (a) For the purpose of making the transfers of money required by Section 49-g, Article III, Texas Constitution, on or after the first day but before the 90th day of a state fiscal year, the comptroller shall determine for that fiscal year the amount of the sufficient balance of the economic stabilization fund. The amount of the sufficient balance is equal to eight percent of the certified general revenue-related appropriations for the state fiscal biennium during which the determination is made.

(b) The comptroller shall allocate and, at the time and in the manner that minimizes losses and penalties, adjust the allocation of the economic stabilization fund between the Texas stabilization account and the Texas legacy account to:

(1) maintain a balance in the Texas stabilization account equal to the sufficient balance as determined under this section; and

(2) allocate the remainder of the economic stabilization fund balance to the Texas legacy account.

SECTION 4. Sections 316.091, 316.092, 316.093(c), and 404.0241, Government Code, are repealed.

SECTION 5. This Act takes effect September 1, 2017.