



FLOOR AMENDMENT NO. _____

17 MAY -2 PM 7:56
BY: Capriglione
HOUSE OF REPRESENTATIVES

1 Amend C.S.H.B. No. 855 (House committee printing) by
2 striking all below the enacting clause and substituting the
3 following:

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

6 (a) Before the comptroller makes transfers for a state
7 fiscal year in accordance with Section 49-g(c), Article III,
8 Texas Constitution, the comptroller shall determine whether the
9 sum of the balance of the fund on the preceding August 31, any
10 projected transfer to the fund under Section 49-g(b) of that
11 article, and any projected transfer to the fund under Section
12 49-g(c) of that article in accordance with the allocations for
13 the transfer as provided by Section 49-g(c-1) of that article is
14 less than the sufficient balance adopted under Section 404.074
15 [~~316.092~~].

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

23 (f) Subsections (a) and[~~r~~] (b) [~~r~~ and ~~(e)~~] and this
24 subsection expire December 31, 2024.

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

28 Sec. 404.0242. MANAGEMENT AND INVESTMENT OF ECONOMIC
29 STABILIZATION FUND ACCOUNTS. (a) To manage economic

1 stabilization fund investments, the comptroller shall establish
2 the following accounts in the economic stabilization fund:

3 (1) the Texas stabilization account; and

4 (2) the Texas legacy account.

5 (b) In managing the assets of an account established under
6 this section, the comptroller, through procedures and subject to
7 restrictions the comptroller establishes for each account and in
8 amounts the comptroller considers appropriate for each account,
9 may acquire, exchange, sell, supervise, manage, or retain any
10 kind of investment that a prudent investor exercising reasonable
11 care, skill, and caution would acquire, exchange, sell,
12 supervise, manage, or retain in light of the purposes, terms,
13 distribution requirements, and other circumstances then
14 prevailing for the account, taking into consideration the
15 investment of all the assets of the account rather than a single
16 investment.

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

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

23 (1) the account's principal;

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

25 and

26 (3) the liquidity of the account.

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

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

1 (2) provide for predictable and stable annual
2 earnings.

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

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

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

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

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

24 SECTION 4. Sections 316.091, 316.092, 316.093(c), and
25 404.0241, Government Code, are repealed.

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