

By: Capriglione

H.B. No. 855

Substitute the following for H.B. No. 855:

By: Raney

C.S.H.B. No. 855

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the management and investment of the economic
3 stabilization fund and the Texas legacy distribution fund,
4 including the determination of a sufficient balance within the
5 economic stabilization fund.

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

7 SECTION 1. Subchapter C, Chapter 404, Government Code, is
8 amended by adding Sections 404.0242 and 404.0243 to read as
9 follows:

10 Sec. 404.0242. MANAGEMENT AND INVESTMENT OF ECONOMIC
11 STABILIZATION FUND ACCOUNTS AND TEXAS LEGACY DISTRIBUTION FUND.

12 (a) This section applies only to the following accounts and fund
13 established under Section 49-g, Article III, Texas Constitution:

14 (1) the Texas stabilization account in the economic
15 stabilization fund;

16 (2) the Texas legacy account in the economic
17 stabilization fund; and

18 (3) the Texas legacy distribution fund.

19 (b) In managing the assets of an account or fund to which
20 this section applies, the comptroller, through procedures and
21 subject to restrictions the comptroller establishes for each
22 account or fund and in amounts the comptroller considers
23 appropriate for each account or fund, may acquire, exchange, sell,
24 supervise, manage, or retain any kind of investment that a prudent

1 investor exercising reasonable care, skill, and caution would
2 acquire, exchange, sell, supervise, manage, or retain in light of
3 the purposes, terms, distribution requirements, and other
4 circumstances then prevailing for the account or fund, taking into
5 consideration the investment of all the assets of the account or
6 fund rather than a single investment.

7 (c) Section 404.024 does not apply to the investment of the
8 assets of an account or fund to which this section applies.

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

- 13 (1) the account's principal;
14 (2) the purchasing power of the account's principal;
15 and
16 (3) the liquidity of the account.

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

- 20 (1) maintain the purchasing power of that principal
21 and if possible, increase that purchasing power; and
22 (2) provide for predictable and stable annual earnings
23 distributions to the Texas legacy distribution fund.

24 SECTION 2. Subchapter E, Chapter 404, Government Code, is
25 amended by adding Section 404.074 to read as follows:

26 Sec. 404.074. SUFFICIENT BALANCE OF TEXAS STABILIZATION
27 ACCOUNT. For the purpose of making the transfers of money required

1 by Section 49-g, Article III, Texas Constitution, on or after the
2 first day but before the 90th day of a state fiscal year, the
3 comptroller shall determine for that fiscal year the amount of the
4 sufficient balance of the Texas stabilization account in the
5 economic stabilization fund. The amount of the sufficient balance
6 is equal to eight percent of the certified general revenue-related
7 appropriations for the state fiscal biennium during which the
8 determination is made.

9 SECTION 3. Sections 316.091, 316.092, 316.093, and
10 404.0241, Government Code, are repealed.

11 SECTION 4. This Act takes effect January 1, 2018, but only
12 if the constitutional amendment proposed by __.J.R. No.____, 85th
13 Legislature, Regular Session, 2017, is approved by the voters. If
14 that amendment is not approved by the voters, this Act has no
15 effect.