

By: Howard

H.B. No. 2658

Substitute the following for H.B. No. 2658:

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C.S.H.B. No. 2658

A BILL TO BE ENTITLED

AN ACT

1
2 relating to establishing the State of Texas Wealth Fund; making an
3 appropriation.

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

5 SECTION 1. Subchapter G, Chapter 403, Government Code, is
6 amended by adding Section 403.1085 to read as follows:

7 Sec. 403.1085. STATE OF TEXAS WEALTH FUND. (a) In this
8 section, "fund" means the State of Texas Wealth Fund.

9 (b) The State of Texas Wealth Fund is created as a special
10 fund in the state treasury outside the general revenue fund to be
11 administered by the comptroller. The fund consists of all money
12 transferred or credited to the fund at the direction of the
13 legislature or by other law and any gifts, grants, or donations made
14 to this state for a purpose of the fund.

15 (c) The comptroller shall invest the assets of the fund and
16 any accounts established in the fund taking into account the
17 purposes for which the fund is established. In managing the fund
18 assets, through procedures and subject to restrictions that the
19 comptroller considers appropriate but notwithstanding the
20 limitations specified by Section 404.024, the comptroller may
21 acquire, exchange, sell, supervise, manage, or retain any kind of
22 investment that a prudent investor, exercising reasonable care,
23 skill, and caution, would acquire or retain in light of the
24 purposes, terms, and other circumstances of the fund then

1 prevailing, taking into consideration the investment of all the
2 fund assets rather than a single investment.

3 (d) All interest and other earnings on the fund's principal
4 and accumulated earnings are credited to the fund.

5 (e) Except as provided by Subsections (f) and (g), money in
6 the fund may be appropriated only:

7 (1) to pay costs of deferred maintenance of state
8 infrastructure, including costs of repair, rehabilitation, or
9 reconstruction of state infrastructure;

10 (2) to make payments of the principal of or interest on
11 general obligation bonds of this state or payments under related
12 credit agreements to the extent the payments will help to retire the
13 indebtedness before the end of the term of the indebtedness;

14 (3) to pay the costs of a new capital project for this
15 state or a new phase of a capital project for this state in lieu of
16 financing the project costs with bonds or other long-term
17 obligations of this state; and

18 (4) to fund pension liabilities.

19 (f) An appropriation described by Subsection (e)(3) may not
20 be made unless staff of the Legislative Budget Board first:

21 (1) finds that the direct payment of the costs of the
22 new capital project or new phase of a capital project will achieve
23 significant cost savings compared to using long-term obligations of
24 this state to finance the costs; and

25 (2) in writing, communicates that finding to the
26 lieutenant governor, the speaker of the house of representatives,
27 and the standing committees of each house of the legislature with

1 primary jurisdiction over appropriations.

2 (g) The legislature may not appropriate money from the fund
3 in an amount that would reduce the unappropriated and unobligated
4 principal balance of the fund to an amount of less than \$2 billion.

5 (h) The fund is exempt from the application of Section
6 403.095.

7 SECTION 2. Section 404.071(a), Government Code, is amended
8 to read as follows:

9 (a) Interest received from investments of money in funds and
10 accounts in the charge of the comptroller shall be allocated on a
11 monthly basis as follows:

12 (1) the pro rata portion of the interest received due
13 to each constitutional fund shall be credited to that fund;

14 (2) the pro rata portion of the interest received due
15 to the game, fish, and water safety fund shall be credited to that
16 fund;

17 (2-a) the pro rata portion of the interest received
18 due to the investment of the State of Texas Wealth Fund shall be
19 credited to that fund; and

20 (3) the remainder of the interest received shall be
21 credited to the general revenue fund.

22 SECTION 3. (a) The amount of \$2 billion is appropriated
23 from the economic stabilization fund to the comptroller for the
24 purpose of transferring that amount immediately to the credit of
25 the State of Texas Wealth Fund in the state treasury.

26 (b) This section takes effect only if this Act is approved
27 by a vote of two-thirds of the members present in each house of the

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1 legislature, as provided by Section 49-g(m), Article III, Texas
2 Constitution.

3 SECTION 4. This Act takes effect September 1, 2017.