

By: Howard

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; and

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

17 (f) An appropriation described by Subsection (e)(3) may not
18 be made unless the legislature first finds that the direct payment
19 of the costs of the capital project will achieve significant cost
20 savings compared to using long-term obligations of this state to
21 finance the costs.

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

25 (h) The fund is exempt from the application of Section
26 403.095.

27 SECTION 2. Section 404.071(a), Government Code, is amended

1 to read as follows:

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

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

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

10 (2-a) the pro rata portion of the interest received
11 due to the investment of the State of Texas Wealth Fund shall be
12 credited to that fund; and

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

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

19 (b) This section takes effect only if this Act is approved
20 by a vote of two-thirds of the members present in each house of the
21 legislature, as provided by Section 49-g(m), Article III, Texas
22 Constitution.

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