

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 21, 2017**

**TO:** Honorable John Zerwas, Chair, House Committee on Appropriations

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB855** by Capriglione (relating to the management and investment of the economic stabilization fund and the Texas legacy distribution fund, including the determination of a sufficient balance within the economic stabilization fund.), **Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated. Any fiscal impact would be attributable to the corresponding joint resolution.**

The bill would amend Chapter 404 of the Government Code, regarding state treasury operations and the management and investment of the Economic Stabilization Fund (ESF) 0599 and the Texas Legacy Distribution Fund, including the determination of a sufficient balance within the ESF.

The bill would add new Sections 404.0242 and 404.0243 to Subchapter C (state depositories and investment of state funds) to provide guidance for the management and investment in the Texas Stabilization Account and Texas Legacy Account within the ESF, and the Texas Legacy Distribution Fund, and to outline the investment objectives and purpose of those ESF accounts. The provisions of Section 404.024 would not apply to the investments of the assets in those ESF accounts and the Texas Legacy Distribution Fund.

The bill would add Section 404.074 to Subchapter E (general duties) to set a sufficient balance of the Texas Stabilization Account equal to 8 percent of the certified general revenue-related appropriations for the state fiscal biennium during which the determination is made.

The bill would repeal Government Code Sections 316.091 (definition), 316.092 (determination of sufficient fund balance), 316.093 (adjustment of constitutional allocations to fund and State Highway Fund), and 404.0241 (investment of certain ESF balances).

The bill in and of itself would have no fiscal impact. Any fiscal impact would be attributable to a corresponding joint resolution.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take effect January 1, 2018 but only if the constitutional amendment proposed by 85th Legislature, Regular Session, 2017, is approved by the voters. If that amendment is not approved by the voters, this bill would have no effect.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD