

1-1 By: Nelson S.B. No. 69
 1-2 (In the Senate - Filed November 12, 2018; February 1, 2019,
 1-3 read first time and referred to Committee on Finance;
 1-4 April 8, 2019, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 15, Nays 0; April 8, 2019,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			

1-24 COMMITTEE SUBSTITUTE FOR S.B. No. 69 By: Nelson

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the allocations of money for transfer to the state
 1-28 highway fund and the economic stabilization fund and the investment
 1-29 of money in the economic stabilization fund.

1-30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-31 SECTION 1. The heading to Subchapter H, Chapter 316,
 1-32 Government Code, is amended to read as follows:

1-33 SUBCHAPTER H. ALLOCATION OF TRANSFERS TO ~~[PRESERVATION OF~~
 1-34 ~~SUFFICIENT BALANCE IN]~~ ECONOMIC STABILIZATION FUND AND STATE
 1-35 HIGHWAY FUND

1-36 SECTION 2. Sections 316.092 and 316.093, Government Code,
 1-37 are amended to read as follows:

1-38 Sec. 316.092. DETERMINATION OF THRESHOLD FOR
 1-39 CONSTITUTIONAL TRANSFER TO STATE HIGHWAY ~~[SUFFICIENT]~~ FUND
 1-40 ~~[BALANCE]~~. (a) ~~[Not later than September 1 of each even-numbered~~
 1-41 ~~year preceding the year in which this section expires as provided by~~
 1-42 ~~Subsection (e), the speaker of the house of representatives and the~~
 1-43 ~~lieutenant governor shall appoint a select committee as follows:~~

1-44 ~~[(1) the speaker of the house of representatives shall~~
 1-45 ~~appoint five members of the house of representatives as members of~~
 1-46 ~~the committee; and~~

1-47 ~~[(2) the lieutenant governor shall appoint five~~
 1-48 ~~members of the senate as members of the committee.~~

1-49 ~~[(b)]~~ For the purposes of adjusting the allocations of
 1-50 transfers in accordance with Section 49-g(c-2), Article III, Texas
 1-51 Constitution, and Section 316.093 for a state fiscal biennium ~~[not~~
 1-52 ~~later than December 1 of each even-numbered year preceding the year~~
 1-53 ~~in which this section expires as provided by Subsection (e)], the~~
 1-54 comptroller ~~[select committee]~~ shall determine and adopt for the
 1-55 ~~[next]~~ state fiscal biennium an amount equal to seven percent of the
 1-56 certified general revenue-related appropriations made for that
 1-57 state fiscal biennium ~~[a sufficient balance of the fund in an amount~~
 1-58 ~~that the committee estimates will ensure an appropriate amount of~~
 1-59 ~~revenue available in the fund. In determining the sufficient~~
 1-60 ~~balance for that fiscal biennium, the committee shall consider:~~

2-1 ~~[(1) the history of fund balances;~~
 2-2 ~~[(2) the history of transfers to the fund;~~
 2-3 ~~[(3) estimated fund balances during that fiscal~~
 2-4 ~~biennium;~~
 2-5 ~~[(4) estimated transfers to the fund to occur during~~
 2-6 ~~that fiscal biennium;~~
 2-7 ~~[(5) information available to the committee regarding~~
 2-8 ~~state highway congestion and funding demands; and~~
 2-9 ~~[(6) any other information requested by the committee~~
 2-10 ~~regarding the state's financial condition].~~

2-11 ~~[(c) On or before October 1 of each even-numbered year~~
 2-12 ~~preceding the year in which this section expires as provided by~~
 2-13 ~~Subsection (c), the comptroller shall provide to the select~~
 2-14 ~~committee the comptroller's projection of the amounts to be~~
 2-15 ~~transferred to the fund during the next state fiscal biennium.~~

2-16 ~~[(d) When the select committee has adopted under Subsection~~
 2-17 ~~(b) the amount of the sufficient balance of the fund for a state~~
 2-18 ~~fiscal biennium, the matter of approving that amount shall be~~
 2-19 ~~presented to each house of the legislature in a concurrent~~
 2-20 ~~resolution during the next succeeding regular legislative session.~~
 2-21 ~~The resolution must be presented for a vote in each house of the~~
 2-22 ~~legislature not later than the 30th day of that legislative~~
 2-23 ~~session, must be approved by a vote of a majority of the members of~~
 2-24 ~~each house, and must be finally approved by each house not later~~
 2-25 ~~than the 45th day of that legislative session. If a resolution~~
 2-26 ~~finally approved under this subsection is amended during the~~
 2-27 ~~legislative process to provide for a different sufficient balance~~
 2-28 ~~of the fund than that adopted under Subsection (b), that different~~
 2-29 ~~balance is the sufficient balance adopted under this section for~~
 2-30 ~~purposes of Section 316.093. If a resolution finally approved~~
 2-31 ~~under this subsection does not provide for a different sufficient~~
 2-32 ~~balance of the fund or if a resolution is not finally approved as~~
 2-33 ~~provided by this subsection, the sufficient balance adopted under~~
 2-34 ~~Subsection (b) is the sufficient balance adopted under this section~~
 2-35 ~~for purposes of Section 316.093.]~~

2-36 ~~(b) [(e)] This section expires December 31, 2024.~~

2-37 Sec. 316.093. ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO
 2-38 FUND AND STATE HIGHWAY FUND. (a) Before the comptroller makes
 2-39 transfers for a state fiscal year in accordance with Section
 2-40 49-g(c), Article III, Texas Constitution, the comptroller shall
 2-41 determine whether the sum of the balance of the fund on the
 2-42 preceding August 31, any projected transfer to the fund under
 2-43 Section 49-g(b) of that article, and any projected transfer to the
 2-44 fund under Section 49-g(c) of that article in accordance with the
 2-45 allocations for the transfer as provided by Section 49-g(c-1) of
 2-46 that article is less than the amount determined under [sufficient
 2-47 balance adopted under] Section 316.092 for that state fiscal
 2-48 biennium.

2-49 (b) If the sum described by Subsection (a) is less than the
 2-50 amount determined under [sufficient balance adopted under] Section
 2-51 316.092 for that state fiscal biennium, the comptroller shall
 2-52 reduce the allocation to the state highway fund provided by Section
 2-53 49-g(c), Article III, Texas Constitution, and increase the
 2-54 allocation to the economic stabilization fund, in an equal amount,
 2-55 until the amount determined under [sufficient balance adopted
 2-56 under] Section 316.092 for that state fiscal biennium would be [is]
 2-57 achieved by the transfer to the fund or the total amount of the sum
 2-58 described by Section 49-g(c), Article III, Texas Constitution, is
 2-59 allocated to the fund, whichever occurs first.

2-60 (c) [If under Section 316.092 a sufficient balance has not
 2-61 been adopted for the comptroller to consider under this section,
 2-62 the comptroller shall adjust the allocation of amounts to be
 2-63 transferred to the fund and to the state highway fund provided by
 2-64 Section 49-g(c), Article III, Texas Constitution, so that the total
 2-65 of those amounts is transferred to the economic stabilization fund,
 2-66 except that the comptroller shall reduce a transfer made under this
 2-67 subsection as necessary to prevent the amount in the fund from
 2-68 exceeding the limit in effect for that biennium under Section
 2-69 49-g(g) of that article.

3-1 ~~[(e)]~~ For the purposes of Section 49-g(c-2), Article III,
3-2 Texas Constitution, the comptroller shall adjust the allocation
3-3 provided by Section 49-g(c-1) of that article of amounts to be
3-4 transferred to the fund and to the state highway fund under Section
3-5 49-g(c) of that article in a state fiscal year beginning on or after
3-6 September 1, 2025, so that the total of those amounts is transferred
3-7 to the economic stabilization fund, except that the comptroller
3-8 shall reduce a transfer made under this subsection as necessary to
3-9 prevent the amount in the fund from exceeding the limit in effect
3-10 for that biennium under Section 49-g(g) of that article.

3-11 (d) [(f)] Subsections (a) and ~~(b) [and (c)]~~ and this
3-12 subsection expire December 31, 2024.

3-13 SECTION 3. Section 404.0241, Government Code, is amended to
3-14 read as follows:

3-15 Sec. 404.0241. INVESTMENT OF CERTAIN ECONOMIC
3-16 STABILIZATION FUND BALANCES. (a) The comptroller may ~~shall~~
3-17 invest a percentage of the balance of the economic stabilization
3-18 fund in an investment portfolio managed ~~[balance in a state fiscal~~
3-19 ~~biennium that exceeds the amount of the sufficient balance of the~~
3-20 ~~fund adopted under Section 316.092 for that biennium]~~ in accordance
3-21 with the investment standard described by Section 404.024(j). The
3-22 comptroller's investment of that percentage of the fund ~~[excess]~~
3-23 balance is not subject to any other limitation or other requirement
3-24 provided by Section 404.024.

3-25 (b) The balance of the investment portfolio may not exceed
3-26 three-quarters of the balance of the economic stabilization fund.

3-27 (c) The comptroller shall adjust the investment portfolio
3-28 [of economic stabilization fund money] periodically as necessary to
3-29 ensure that:

3-30 (1) at all times at least one-quarter of the balance of
3-31 the economic stabilization fund is invested in a manner that
3-32 ensures the liquidity of that amount; and

3-33 (2) the balance of the economic stabilization fund is
3-34 sufficient to meet the cash flow requirements of the fund.

3-35 (d) [(c)] The comptroller shall include the fair market
3-36 value of the investment portfolio of the economic stabilization
3-37 fund in calculating the amount in the fund for purposes of Section
3-38 49-g(g), Article III, Texas Constitution, and Section 316.093 of
3-39 this code.

3-40 ~~[(d) This section expires on the date Section 316.092~~
3-41 ~~expires.]~~

3-42 SECTION 4. Sections 316.093(a) and (b), Government Code, as
3-43 amended by this Act, apply only to the allocation of money to the
3-44 economic stabilization fund and the state highway fund under
3-45 Section 49-g(c-1), Article III, Texas Constitution, beginning with
3-46 the state fiscal year beginning September 1, 2021. The allocation
3-47 of money to the economic stabilization fund and the state highway
3-48 fund under Section 49-g(c-1), Article III, Texas Constitution, for
3-49 the state fiscal years beginning September 1, 2019, and September
3-50 1, 2020, is governed by Sections 316.093(a) and (b), Government
3-51 Code, as those sections existed immediately before the effective
3-52 date of this Act, and the former law is continued in effect for that
3-53 purpose.

3-54 SECTION 5. This Act takes effect September 1, 2019.

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