

By: Nichols

S.B. No. 2418

A BILL TO BE ENTITLED

AN ACT

relating to the determination of the sufficient balance within the economic stabilization fund and to the adjustment of allocations of amounts to be transferred to the economic stabilization fund and the state highway fund under Section 49-g, Article III, Texas Constitution.

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

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

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

SECTION 2. Sections 316.093(a) and (b), Government Code, are amended to read as follows:

(a) Before the comptroller makes transfers for a state fiscal year in accordance with Section 49-g(c), Article III, Texas Constitution, the comptroller shall determine whether the sum of the balance of the fund on the preceding August 31, any projected transfer to the fund under Section 49-g(b) of that article, and any projected transfer to the fund under Section 49-g(c) of that article in accordance with the allocations for the transfer as provided by Section 49-g(c-1) of that article is less than the sufficient balance adopted under Section 404.074 for that state fiscal biennium [~~316.092~~].

1 (b) If the sum described by Subsection (a) is less than the  
2 sufficient balance adopted under Section 404.074 for that state  
3 fiscal biennium [~~316.092~~], the comptroller shall reduce the  
4 allocation to the state highway fund provided by Section 49-g(c),  
5 Article III, Texas Constitution, and increase the allocation to the  
6 economic stabilization fund, in an equal amount, until the  
7 sufficient balance adopted under Section 404.074 for that state  
8 fiscal biennium would be [~~316.092 is~~] achieved by the transfer to  
9 the fund or the total amount of the sum described by Section  
10 49-g(c), Article III, Texas Constitution, is allocated to the fund,  
11 whichever occurs first.

12 SECTION 3. Section 404.0241(a), Government Code, is amended  
13 to read as follows:

14 (a) The comptroller shall invest a percentage of the  
15 economic stabilization fund balance in a state fiscal biennium that  
16 exceeds the amount of the sufficient balance of the fund adopted  
17 under Section 404.074 [~~316.092~~] for that biennium in accordance  
18 with the investment standard described by Section 404.024(j). The  
19 comptroller's investment of that percentage of the excess balance  
20 is not subject to any other limitation or other requirement  
21 provided by Section 404.024.

22 SECTION 4. Subchapter E, Chapter 404, Government Code, is  
23 amended by adding Section 404.074 to read as follows:

24 Sec. 404.074. SUFFICIENT BALANCE OF ECONOMIC STABILIZATION  
25 FUND. For the purpose of adjusting the allocation of transfers in  
26 accordance with Section 49-g(c-2), Article III, Texas  
27 Constitution, not later than December 1 of each even-numbered year,

1 the comptroller shall determine and adopt for the next state fiscal  
2 biennium the amount of the sufficient balance of the economic  
3 stabilization fund. The amount of the sufficient balance is equal  
4 to six and three quarters percent of the sum of general revenue and  
5 general revenue-dedicated funds appropriated in the most recent  
6 General Appropriations Act.

7 SECTION 5. The following provisions of the Government Code  
8 are repealed:

- 9 (1) Section 316.092;
- 10 (2) Sections 316.093(c), (e), and (f); and
- 11 (3) Section 404.0241(d).

12 SECTION 6. Sections 316.093(a) and (b), Government Code, as  
13 amended by this Act, apply only to a transfer and allocation of  
14 money to the economic stabilization fund and state highway fund  
15 under Sections 49-g(c) and (c-1), Article III, Texas Constitution,  
16 made in a state fiscal year beginning on or after September 1, 2021.  
17 A transfer and allocation of money to the economic stabilization  
18 fund and state highway fund under Sections 49-g(c) and (c-1),  
19 Article III, Texas Constitution, made in a state fiscal year  
20 beginning before that date is governed by the law in effect  
21 immediately before the effective date of this Act, and the former  
22 law is continued in effect for that purpose.

23 SECTION 7. Section 404.0241(a), Government Code, as amended  
24 by this Act, applies only to the investment of economic  
25 stabilization fund money in a state fiscal biennium beginning on or  
26 after September 1, 2021. The investment of economic stabilization  
27 fund money in a state fiscal biennium beginning before that date is

1 governed by the law in effect immediately before the effective date  
2 of this Act, and the former law is continued in effect for that  
3 purpose.

4 SECTION 8. This Act takes effect September 1, 2019.