

CHAPTER 258

S.B. No. 789

AN ACT

relating to the management of temporary cash shortfalls in general revenue funds.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subdivision (2), Subsection (c), Section 3.043, Treasury Act (Article 4393-1, Vernon's Texas Civil Statutes), is amended to read as follows:

(2) *If the speaker of the house of representatives is not permitted by the Texas Constitution to serve as a voting member of the committee, the speaker of the house of representatives serves as a nonvoting member of the committee.* ~~[The lieutenant governor and the speaker of the house of representatives are ex officio, nonvoting members of the committee.]~~

SECTION 2. Subsections (d) and (h), Section 3.043, Treasury Act (Article 4393-1, Vernon's Texas Civil Statutes), are amended to read as follows:

(d) In anticipation of a temporary cash shortfall in the General Revenue Fund during any fiscal year, the treasurer, subject to Subsection (e) of this section, may issue, sell, and deliver tax and revenue anticipation notes on behalf of the state. The sum of (1) the total amount of the notes outstanding and (2) the total outstanding liability of the General Revenue Fund under Article 4344c, Revised Statutes, may not at any time exceed 20 percent of the taxes and revenues to be credited to the General Revenue Fund for the fiscal year as determined by the treasurer, based on the certification made by the comptroller in the enactment of the General Appropriations Act applicable to that fiscal year. Tax and revenue anticipation notes are not debts of the state within the meaning of any state constitutional prohibition. The notes may be used solely to coordinate the state's cash flow within each fiscal *biennium* ~~[year]~~. All notes must mature and be paid in full during the fiscal *biennium* ~~[year]~~ in which they were issued. The notes must be signed by the governor. The interest rate on the notes must be set so that the amount equal to the total amount of interest to be paid on the notes plus the costs of issuance of

the notes does not exceed the amount of interest that would be paid on the notes if the interest rate on the notes were one percent less than (1) the average interest yield being earned on funds invested by the treasurer as of the date of the notes' issuance, or (2) the projected average interest yield to be earned on funds invested by the Treasurer over the life of the note issue, as computed by the treasurer.

(h) Cash received from the collection of taxes and revenues credited to the General Revenue Fund during the fiscal *biennium* [~~year~~] in which the notes are issued is available to restore the balance of the tax and revenue anticipation note fund. The treasurer, with notice to the comptroller, periodically shall transfer the cash to the fund to ensure the timely payment in full of the notes. Transfers to the tax and revenue anticipation note fund under this subsection may not exceed the amount that has been transferred from that fund to the General Revenue Fund and has not been restored to the tax and revenue anticipation note fund. The comptroller shall transfer surplus cash into the General Revenue Fund under Section 1, Article 4344c, Revised Statutes, as is necessary to complete the transfers required by this subsection. Notwithstanding any other provision of law, depository interest in the tax and revenue anticipation note fund shall be credited to that fund. Depository interest shall be calculated and credited to the fund monthly as if transfers to the General Revenue Fund had not been made.

SECTION 3. Subsection (m), Section 3.043, Treasury Act (Article 4393-1, Vernon's Texas Civil Statutes), is repealed.

SECTION 4. This Act takes effect September 1, 1987.

SECTION 5. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on April 1, 1987, by a viva-voce vote; and that the Senate concurred in House amendment on May 15, 1987, by a viva-voce vote. Passed the House, with amendment, on May 14, 1987, by a non-record vote.

Approved May 29, 1987.

Effective Sept. 1, 1987.