

SUBJECT: Authorizing the Legislature to vest management power over public funds

COMMITTEE: Pensions, Investments and Financial Services — favorable, without amendment

VOTE: 11 ayes — Murphy, Vo, Capriglione, Flynn, Gervin-Hawkins, Gutierrez, Lambert, Leach, Longoria, Stephenson, Wu

0 nays

WITNESSES: None

DIGEST: HJR 143 would amend the Texas Constitution to allow the Legislature by law to vest the power to invest and manage any public funds, including funds established by the Constitution other than the Permanent University Fund, in:

- any public officer;
- a board composed of public officers; or
- an entity that is governed by appointees of public officers of this state.

The ballot proposal would be presented to voters at an election on November 5, 2019. The proposal would read: "The constitutional amendment to authorize the legislature to vest the power to invest and manage certain public funds in public officers, boards composed of public officers, or an entity that is governed by appointees of public officers."

SUPPORTERS SAY: HJR 143 would remove the need for separate constitutional amendments each time the Legislature wanted to change governance and management of public funds by granting the Legislature authority to make such changes through the regular legislative process. This would provide greater legislative oversight of certain funds currently held and maintained outside the reach of the Legislature.

OPPONENTS
SAY:

HJR 143 would grant overly broad authority to the Legislature to change the investment and management of public funds without having to make a case-by-case presentation to voters that the oversight should be changed. The measure could apply to a vast range of public funds, making it difficult to determine how the Legislature would use its legal authority to change the governance and management of any individual fund. Some changes could be minor while others could be significant enough to warrant vetting by Texas voters through the constitutional amendment process.

NOTES:

HB 4452 by G. Bonnen, the enabling legislation for HJR 143, was left pending by the Pensions, Investments and Financial Services Committee after an April 11 public hearing.

According to the Legislative Budget Board, HJR 143 would have a cost of \$177,289 in general revenue in fiscal 2020 to publish the resolution.