

By: Raymond

H.J.R. No. 34

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for an annual state  
2 budget and annual legislative sessions for budget purposes.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Section 5(a), Article III, Texas Constitution,  
5 is amended to read as follows:

6 (a) The Legislature shall meet every odd-numbered year in  
7 regular session and every even-numbered year in budget session [~~two~~  
8 ~~years~~] at such times [~~time~~] as may be provided by law. The  
9 Legislature also shall meet [~~and~~] at other times when convened by  
10 the Governor.

11 SECTION 2. Section 24(a), Article III, Texas Constitution,  
12 is amended to read as follows:

13 (a) Members of the Legislature shall receive from the Public  
14 Treasury a salary of Six Hundred Dollars (\$600) per month, unless a  
15 greater amount is recommended by the Texas Ethics Commission and  
16 approved by the voters of this State in which case the salary is  
17 that amount. Each member shall also receive a per diem set by the  
18 Texas Ethics Commission for each day during each Regular, Budget,  
19 and Special Session of the Legislature.

20 SECTION 3. Article III, Texas Constitution, is amended by  
21 adding Section 40a to read as follows:

22 Sec. 40a. (a) A budget session of the legislature may not  
23 exceed 60 days in duration, except that the legislature by majority  
24 vote of the membership of each house may extend a budget session by

1 not more than 30 days. When convened in budget session, a house of  
2 the legislature may not consider a bill or proposed constitutional  
3 amendment on a matter other than:

4 (1) appropriations, transfers of state money among  
5 funds and accounts, or state revenue; or

6 (2) an emergency matter submitted by the governor in a  
7 special message to the legislature.

8 (b) Except as otherwise provided by this constitution, a  
9 budget session is treated in the same manner as a special session of  
10 the legislature for purposes of this constitution.

11 (c) Unless otherwise provided by general law, a budget  
12 session shall be convened at noon on the third Tuesday in April.

13 SECTION 4. Section 49(c), Article III, Texas Constitution,  
14 is amended to read as follows:

15 (c) The legislature may call an election during any regular  
16 session or budget session of the legislature or during any special  
17 session of the legislature in which the subject of the election is  
18 designated in the governor's proclamation for that special session.  
19 The election may be held on any date, and notice of the election  
20 shall be given for the period and in the manner required for  
21 amending this constitution. The election shall be held in each  
22 county in the manner provided by law for other statewide elections.

23 SECTION 5. Section 49a(a), Article III, Texas Constitution,  
24 is amended to read as follows:

25 (a) It shall be the duty of the Comptroller of Public  
26 Accounts in advance of each Regular Session and Budget Session of  
27 the Legislature to prepare and submit to the Governor and to the

1 Legislature upon its convening a statement under oath showing fully  
2 the financial condition of the State Treasury at the close of the  
3 last fiscal period and an estimate of the probable receipts and  
4 disbursements for the then current fiscal year. There shall also be  
5 contained in said statement an itemized estimate of the anticipated  
6 revenue based on the laws then in effect that will be received by  
7 and for the State from all sources showing the fund accounts to be  
8 credited during each of the next two fiscal years, [~~the succeeding~~  
9 ~~biennium~~] and said statement shall contain such other information  
10 as may be required by law. Supplemental statements shall be  
11 submitted at any Special Session of the Legislature and at such  
12 other times as may be necessary to show probable changes.

13 SECTION 6. Sections 49-g(b), (c), (g), (h), (j), (k), and  
14 (l), Article III, Texas Constitution, are amended to read as  
15 follows:

16 (b) The comptroller shall, not later than the 90th day of  
17 each fiscal year [~~biennium~~], transfer to the economic stabilization  
18 fund one-half of any unencumbered positive balance of general  
19 revenues on the last day of the preceding fiscal year [~~biennium~~].  
20 If necessary, the comptroller shall reduce the amount transferred  
21 in proportion to the other amounts prescribed by this section to  
22 prevent the amount in the fund from exceeding the limit in effect  
23 for that fiscal year [~~biennium~~] under Subsection (g) of this  
24 section.

25 (c) Not later than the 90th day of each fiscal year, the  
26 comptroller of public accounts shall transfer from the general  
27 revenue fund to the economic stabilization fund and the state

1 highway fund the sum of the amounts described by Subsections (d) and  
2 (e) of this section, to be allocated as provided by Subsections  
3 (c-1) and (c-2) of this section. However, if necessary and  
4 notwithstanding the allocations prescribed by Subsections (c-1)  
5 and (c-2) of this section, the comptroller shall reduce  
6 proportionately the amounts described by Subsections (d) and (e) of  
7 this section to be transferred and allocated to the economic  
8 stabilization fund to prevent the amount in that fund from  
9 exceeding the limit in effect for that fiscal year [~~biennium~~] under  
10 Subsection (g) of this section. Revenue transferred to the state  
11 highway fund under this subsection may be used only for  
12 constructing, maintaining, and acquiring rights-of-way for public  
13 roadways other than toll roads.

14 (g) During each fiscal year [~~biennium~~], the amount in the  
15 economic stabilization fund may not exceed an amount equal to 10  
16 percent of the total amount, excluding investment income, interest  
17 income, and amounts borrowed from special funds, deposited in  
18 general revenue during the preceding two fiscal years [~~biennium~~].

19 (h) In preparing an estimate of anticipated revenues for a  
20 succeeding fiscal year [~~biennium~~] as required by Article III,  
21 Section 49a, of this constitution, the comptroller shall estimate  
22 the amount of the transfers that will be made under Subsections (b),  
23 (d), and (e) of this section. The comptroller shall deduct that  
24 amount from the estimate of anticipated revenues as if the  
25 transfers were made on August 31 of that fiscal year.

26 (j) The comptroller may transfer money from the economic  
27 stabilization fund to general revenue to prevent or eliminate a

1 temporary cash deficiency in general revenue. The comptroller  
2 shall return the amount transferred to the economic stabilization  
3 fund as soon as practicable, but not later than August 31 of the  
4 fiscal year in which the transfer is made [~~each odd-numbered year~~].  
5 The comptroller shall allocate the depository interest as if the  
6 transfers had not been made. If the comptroller submits a statement  
7 to the governor and the legislature under Article III, Section 49a,  
8 of this constitution when money from the economic stabilization  
9 fund is in general revenue, the comptroller shall state that the  
10 transferred money is not available for appropriation from general  
11 revenue.

12 (k) Amounts from the economic stabilization fund may be  
13 appropriated during a regular or budget [~~legislative~~] session only  
14 for a purpose for which an appropriation from general revenue was  
15 made for the current fiscal year [~~by the preceding legislature~~] and  
16 may be appropriated in a special session only for a purpose for  
17 which an appropriation from general revenue was made in a preceding  
18 legislative session of the same legislature. An appropriation from  
19 the economic stabilization fund may be made under this subsection  
20 only if the comptroller certifies that appropriations from general  
21 revenue made for the current fiscal year [~~by the preceding~~  
22 ~~legislature for the current biennium~~] exceed available general  
23 revenues and cash balances for the remainder of that fiscal year  
24 [~~biennium~~]. The amount of the [~~an~~] appropriation [~~from the~~  
25 ~~economic stabilization fund~~] may not exceed the difference between  
26 the comptroller's estimate of general revenue for the current  
27 fiscal year [~~biennium~~] at the time the comptroller receives for

1 certification the bill making the appropriation and the amount of  
2 general revenue appropriations for that fiscal year [~~biennium~~]  
3 previously certified by the comptroller. Appropriations from the  
4 economic stabilization fund under this subsection may not extend  
5 beyond the last day of the current fiscal year [~~biennium~~]. An  
6 appropriation from the economic stabilization fund under this  
7 subsection must be approved by a three-fifths vote of the members  
8 present in each house of the legislature.

9 (1) If an estimate of anticipated revenues for the [~~a~~]  
10 succeeding fiscal year [~~biennium~~] prepared by the comptroller  
11 pursuant to Article III, Section 49a, of this constitution is less  
12 than the revenues that are estimated at the same time by the  
13 comptroller to be available for the current fiscal year [~~biennium~~],  
14 the legislature may, by a three-fifths vote of the members present  
15 in each house, appropriate for the succeeding fiscal year  
16 [~~biennium~~] from the economic stabilization fund an amount not to  
17 exceed this difference. Following each fiscal year, the actual  
18 amount of revenue shall be computed, and if the estimated  
19 difference exceeds the actual difference, the comptroller shall  
20 transfer the amount necessary from general revenue to the economic  
21 stabilization fund so that the actual difference shall not be  
22 exceeded. If all or a portion of the difference in revenue from one  
23 fiscal year [~~biennium~~] to the next results, at least in part, from a  
24 change in a tax rate or base adopted by the legislature, the  
25 computation of revenue difference shall be adjusted to the amount  
26 that would have been available had the rate or base not been  
27 changed.

1 SECTION 7. Section 51-a(b), Article III, Texas  
2 Constitution, is amended to read as follows:

3 (b) The Legislature may provide by General Law for medical  
4 care, rehabilitation and other similar services for needy persons.  
5 The Legislature may prescribe such other eligibility requirements  
6 for participation in these programs as it deems appropriate and may  
7 make appropriations out of state funds for such purposes. The  
8 maximum amount paid out of state funds for assistance grants to or  
9 on behalf of needy dependent children and their caretakers shall  
10 not exceed one percent of the state budget. The Legislature by  
11 general statute shall provide for the means for determining the  
12 state budget amounts, including state and other funds appropriated  
13 by the Legislature, to be used in establishing the ~~[biennial]~~ limit  
14 for a fiscal year.

15 SECTION 8. Section 9, Article IV, Texas Constitution, is  
16 amended to read as follows:

17 Sec. 9. The Governor shall, at the commencement of each  
18 session of the Legislature, and at the close of the Governor's ~~[his]~~  
19 term of office, give to the Legislature information, by message, of  
20 the condition of the State; and the Governor ~~[he]~~ shall recommend to  
21 the Legislature such measures as the Governor ~~[he]~~ may deem  
22 expedient. The Governor ~~[He]~~ shall account to the Legislature for  
23 all public moneys the Governor has received and paid out ~~[by him]~~,  
24 from any funds subject to the Governor's ~~[his]~~ order, with  
25 vouchers; and shall accompany the ~~[his]~~ message with a statement of  
26 the same. And at the commencement of each regular session and  
27 budget session, the Governor ~~[he]~~ shall present estimates of the

1 amount of money required to be raised by taxation for all purposes.

2 SECTION 9. Section 5(a), Article VII, Texas Constitution,  
3 is amended to read as follows:

4 (a) The permanent school fund consists of all land  
5 appropriated for public schools by this constitution or the other  
6 laws of this state, other properties belonging to the permanent  
7 school fund, and all revenue derived from the land or other  
8 properties. The available school fund consists of the distributions  
9 made to it from the total return on all investment assets of the  
10 permanent school fund, the taxes authorized by this constitution or  
11 general law to be part of the available school fund, and  
12 appropriations made to the available school fund by the  
13 legislature. The total amount distributed from the permanent school  
14 fund to the available school fund:

15 (1) in [~~each year of~~] a state fiscal year [~~biennium~~]  
16 must be an amount that is not more than six percent of the average of  
17 the market value of the permanent school fund, excluding real  
18 property belonging to the fund that is managed, sold, or acquired  
19 under Section 4 of this article, but including discretionary real  
20 assets investments and cash in the state treasury derived from  
21 property belonging to the fund, on the last day of each of the 16  
22 state fiscal quarters preceding the regular or budget session of  
23 the legislature, as applicable, that begins before that state  
24 fiscal year [~~biennium~~], in accordance with the rate adopted by:

25 (A) a vote of two-thirds of the total membership  
26 of the State Board of Education, taken before that [~~the~~] regular or  
27 budget session of the legislature convenes; or



1 (B) the legislature by general law or  
2 appropriation, if the State Board of Education does not adopt a rate  
3 as provided by Paragraph (A) of this subdivision; and

4 (2) over the 10-year period consisting of the current  
5 state fiscal year and the nine preceding state fiscal years may not  
6 exceed the total return on all investment assets of the permanent  
7 school fund over the same 10-year period.

8 SECTION 10. Sections 20(d), (e), (f), and (g), Article VII,  
9 Texas Constitution, are amended to read as follows:

10 (d) In each state fiscal year [~~biennium~~], the legislature  
11 may appropriate as provided by Subsection (f) of this section all or  
12 a portion of the total return on all investment assets of the fund  
13 to carry out the purposes for which the fund is established.

14 (e) The legislature annually [~~biennially~~] shall allocate  
15 the amounts appropriated under this section, or shall provide for  
16 an annual [~~a biennial~~] allocation of those amounts, to eligible  
17 state universities to carry out the purposes of the fund. The money  
18 shall be allocated based on an equitable formula established by the  
19 legislature or an agency designated by the legislature. The  
20 legislature shall review and as appropriate adjust, or provide for  
21 a review and adjustment, of the allocation formula at the end of  
22 each state fiscal year [~~biennium~~].

23 (f) The portion of the total return on investment assets of  
24 the fund that is available for appropriation in a state fiscal year  
25 [~~biennium~~] under this section is the portion determined by the  
26 legislature, or an agency designated by the legislature, as  
27 necessary to provide as nearly as practicable a stable and

1 predictable stream of annual distributions to eligible state  
2 universities and to maintain over time the purchasing power of fund  
3 investment assets. If the purchasing power of fund investment  
4 assets for any rolling 10-year period is not preserved, the  
5 distributions may not be increased until the purchasing power of  
6 the fund investment assets is restored. The amount appropriated  
7 from the fund in any fiscal year may not exceed an amount equal to  
8 seven percent of the average net fair market value of the investment  
9 assets of the fund, as determined by law. Until the fund has been  
10 invested for a period of time sufficient to determine the  
11 purchasing power over a 10-year period, the legislature may provide  
12 by law for means of preserving the purchasing power of the fund.

13 (g) The legislature shall establish criteria by which a  
14 state university may become eligible to receive a portion of the  
15 distributions from the fund. A state university that becomes  
16 eligible to receive a portion of the distributions from the fund in  
17 a state fiscal year [~~biennium~~] remains eligible to receive  
18 additional distributions from the fund in any subsequent state  
19 fiscal year [~~biennium~~]. The University of Texas at Austin and Texas  
20 A&M University are not eligible to receive money from the fund.

21 SECTION 11. Section 6, Article VIII, Texas Constitution, is  
22 amended to read as follows:

23 Sec. 6. No money shall be drawn from the Treasury but in  
24 pursuance of specific appropriations made by law; nor shall any  
25 appropriation of money be made for a longer term than one year [~~two~~  
26 ~~years~~].

27 SECTION 12. Section 22(a), Article VIII, Texas

1 Constitution, is amended to read as follows:

2 (a) In no fiscal year [~~biennium~~] shall the rate of growth of  
3 appropriations from state tax revenues not dedicated by this  
4 constitution exceed the estimated rate of growth of the state's  
5 economy. The legislature shall provide by general law procedures  
6 to implement this subsection.

7 SECTION 13. The following temporary provision is added to  
8 the Texas Constitution:

9 TEMPORARY PROVISION. (a) The constitutional amendment  
10 proposed by the 87th Legislature, Regular Session, 2021, providing  
11 for an annual state budget and annual legislative sessions for  
12 budget purposes takes effect September 1, 2023.

13 (b) The amendment does not affect the validity of an  
14 appropriation made before that date for any part of the two  
15 consecutive state fiscal years ending August 31, 2025.

16 (c) This temporary provision expires January 1, 2026.

17 SECTION 14. This proposed constitutional amendment shall be  
18 submitted to the voters at an election to be held November 2, 2021.  
19 The ballot shall be printed to permit voting for or against the  
20 proposition: "The constitutional amendment providing for an annual  
21 state budget and annual legislative sessions for budget purposes."