

1 AN ACT

2 relating to the creation and re-creation of funds and accounts, the
3 dedication and rededication of revenue and allocation of accrued
4 interest on dedicated revenue, and the exemption of unappropriated
5 money from use for general governmental purposes.

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

7 SECTION 1. DEFINITION. In any provision of this Act that
8 does not amend current law, "state agency" means an office,
9 institution, or other agency that is in the executive or judicial
10 branch of state government, has authority that is not limited to a
11 geographical portion of the state, and was created by the
12 constitution or a statute of this state. The term does not include
13 an institution of higher education as defined by Section 61.003,
14 Education Code.

15 SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS.
16 Except as otherwise specifically provided by this Act, all funds
17 and accounts created or re-created by an Act of the 88th
18 Legislature, Regular Session, 2023, that becomes law and all
19 dedications or rededications of revenue collected by a state agency
20 for a particular purpose by an Act of the 88th Legislature, Regular
21 Session, 2023, that becomes law are abolished on the later of August
22 31, 2023, or the date the Act creating or re-creating the fund or
23 account or dedicating or rededicating revenue takes effect.

24 SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND

1 ACCOUNTS. Section 2 of this Act does not apply to:

2 (1) statutory dedications, funds, and accounts that
3 were enacted before the 88th Legislature convened to comply with
4 requirements of state constitutional or federal law;

5 (2) dedications, funds, or accounts that remained
6 exempt from former Section 403.094(h), Government Code, at the time
7 dedications, accounts, and funds were abolished under that
8 provision;

9 (3) increases in fees or other revenue dedicated as
10 described by this section; or

11 (4) increases in fees or other revenue required to be
12 deposited in a fund or account described by this section.

13 SECTION 4. FEDERAL FUNDS. Section 2 of this Act does not
14 apply to funds created under an Act of the 88th Legislature, Regular
15 Session, 2023, for which separate accounting is required by federal
16 law, except that the funds shall be deposited in accounts in the
17 general revenue fund unless otherwise required by federal law.

18 SECTION 5. TRUST FUNDS. Section 2 of this Act does not
19 apply to trust funds or dedicated revenue deposited to trust funds
20 created under an Act of the 88th Legislature, Regular Session,
21 2023, except that the trust funds shall be held in the state
22 treasury, with the comptroller in trust, or outside the state
23 treasury with the comptroller's approval.

24 SECTION 6. BOND FUNDS. Section 2 of this Act does not apply
25 to bond funds and pledged funds created or affected by an Act of the
26 88th Legislature, Regular Session, 2023, except that the funds
27 shall be held in the state treasury, with the comptroller in trust,

1 or outside the state treasury with the comptroller's approval.

2 SECTION 7. CONSTITUTIONAL DEDICATIONS, FUNDS, AND
3 ACCOUNTS. Section 2 of this Act does not apply to funds or accounts
4 that would be created or re-created by the Texas Constitution or
5 revenue that would be dedicated or rededicated by the Texas
6 Constitution under a constitutional amendment proposed by the 88th
7 Legislature, Regular Session, 2023, or to dedicated revenue
8 deposited to funds or accounts that would be so created or
9 re-created, if the constitutional amendment is approved by the
10 voters.

11 SECTION 8. ADDITIONAL USES FOR DEDICATED FUNDS OR ACCOUNTS.
12 Section 2 of this Act does not apply to a newly authorized use of
13 money in a dedicated fund or dedicated account as provided by an Act
14 of the 88th Legislature, Regular Session, 2023, to the extent:

15 (1) the fund or account was exempted from abolition by
16 an Act of the legislature that became law before January 1, 2023;
17 and

18 (2) the newly authorized use is within the scope of the
19 original dedication of the fund or account.

20 SECTION 9. SEPARATE FUNDS. Effective on the later of the
21 effective date of the Act creating or re-creating the specified
22 fund or August 31, 2023, the following funds, if created or
23 re-created by an Act of the 88th Legislature, Regular Session,
24 2023, the revenue deposited to the funds and the revenue dedicated
25 for deposit to the funds are exempt from Section 2 of this Act, and
26 the funds are created or re-created as separate funds inside or
27 outside the state treasury, as specified by the Act creating or

1 re-creating the fund:

2 (1) the open burn pit registry fund created as a fund
3 in the state treasury by House Bill No. 1315 or similar
4 legislation;

5 (2) the Texas Historical Commission retail operations
6 fund created as a fund outside the state treasury by House Bill
7 No. 2719 or similar legislation;

8 (3) the leaking water wells fund created as a fund in
9 the state treasury by House Bill No. 4256 or similar legislation;

10 (4) the new water supply for Texas fund created as a
11 fund in the state treasury by Senate Bill No. 28 or similar
12 legislation;

13 (5) the Texas state buildings preservation endowment
14 fund created as a fund outside the state treasury by Senate Bill
15 No. 1333 or similar legislation;

16 (6) the Iwo Jima monument and museum fund created as a
17 fund outside the state treasury by Senate Bill No. 2057 or similar
18 legislation; and

19 (7) the Texas energy fund created as a fund in the
20 state treasury by Senate Bill No. 2627 or similar legislation.

21 SECTION 10. REVENUE DEDICATIONS. Effective on the later of
22 the effective date of the Act dedicating or rededicating the
23 specified revenue or August 31, 2023, the following dedications or
24 rededications of revenue collected for a particular purpose are
25 exempt from Section 2 of this Act, if dedicated or rededicated by an
26 Act of the 88th Legislature, Regular Session, 2023:

27 (1) the dedication of penalty revenue to the

1 foundation school fund provided by House Bill No. 5 or similar
2 legislation;

3 (2) the dedication of driver's license fees to the
4 Texas mobility fund provided by House Bill No. 842 or similar
5 legislation;

6 (3) the dedication of revenue provided by House Bill
7 No. 1613 or similar legislation;

8 (4) the dedication of fee revenue to the public
9 assurance account provided by House Bill No. 1998 or similar
10 legislation;

11 (5) the dedication of boater education program and
12 exam fees to the game, fish, and water safety account provided by
13 House Bill No. 2755 or similar legislation;

14 (6) the dedication of revenue provided by House Bill
15 No. 3290 or similar legislation;

16 (7) the dedication of revenue provided by House Bill
17 No. 3297 or similar legislation;

18 (8) the dedication of revenue provided by House Bill
19 No. 3345 or similar legislation;

20 (9) the dedication of revenue to the law enforcement
21 officer standards and education fund account provided by House Bill
22 No. 3539 or similar legislation;

23 (10) the dedication of revenue provided by House Bill
24 No. 3582 or similar legislation;

25 (11) the dedication of revenue to the general revenue
26 fund and the hotel occupancy tax for economic development account
27 provided by House Bill No. 3727 or similar legislation;

1 (12) the dedication of rail safety fees to the state
2 highway fund provided by House Bill No. 4015 or similar
3 legislation;

4 (13) the dedication of revenue to the game, fish, and
5 water safety account and the state parks account provided by House
6 Bill No. 4018 or similar legislation;

7 (14) the dedication of revenue to the Texas Department
8 of Insurance operating account provided by House Bill No. 4498 or
9 similar legislation;

10 (15) the dedication of revenue provided by House Bill
11 No. 4635 or similar legislation;

12 (16) the dedication of revenue to the Texas Department
13 of Motor Vehicles fund and the general revenue fund provided by
14 House Bill No. 5225 or similar legislation;

15 (17) the dedication of revenue to the state highway
16 fund provided by House Bill No. 5342 or similar legislation;

17 (18) the dedication of revenue to the state highway
18 fund provided by Senate Bill No. 505 or similar legislation;

19 (19) the dedication of unclaimed property deposits to
20 the judicial fund provided by Senate Bill No. 658 or similar
21 legislation;

22 (20) the dedication of revenue to the game, fish, and
23 water safety account provided by Senate Bill No. 1032 or similar
24 legislation;

25 (21) the dedication of revenue to the Texas physician
26 health program account provided by Senate Bill No. 1086 or similar
27 legislation;

1 (22) the dedication of revenue to the general revenue
2 fund and the hotel occupancy tax for economic development account
3 provided by Senate Bill No. 1167 or similar legislation;

4 (23) the dedication of revenue to the general revenue
5 fund and the hotel occupancy tax for economic development account
6 provided by Senate Bill No. 1420 or similar legislation; and

7 (24) the dedication of revenue as provided by Senate
8 Bill No. 2102 or similar legislation.

9 SECTION 11. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
10 DEDICATED REVENUE. (a) This section applies only to an account in
11 the general revenue fund:

12 (1) any part of which Section 403.095, Government
13 Code, makes available for certification under Section 403.121,
14 Government Code; and

15 (2) that is created or re-created by an Act of the 88th
16 Legislature, Regular Session, 2023.

17 (b) Except as provided by this Act, all interest and other
18 earnings that accrue on all revenue held in an account in the
19 general revenue fund are available for any general governmental
20 purpose.

21 (c) Except as provided by this Act, the comptroller shall
22 deposit all interest and other earnings that accrue on all revenue
23 held in an account in the general revenue fund to the credit of the
24 general revenue fund.

25 SECTION 12. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE.
26 Effective September 1, 2023, Sections 403.095(b), (d), and (f),
27 Government Code, are amended to read as follows:

1 (b) Notwithstanding any law dedicating or setting aside
2 revenue for a particular purpose or entity, dedicated revenues that
3 on August 31, 2025 [~~2023~~], are estimated to exceed the amount
4 appropriated by the General Appropriations Act or other laws
5 enacted by the 88th [~~87th~~] Legislature are available for general
6 governmental purposes and are considered available for the purpose
7 of certification under Section 403.121.

8 (d) Following certification of the General Appropriations
9 Act and other appropriations measures enacted by the 88th [~~87th~~]
10 Legislature, the comptroller shall reduce each dedicated account as
11 directed by the legislature by an amount that may not exceed the
12 amount by which estimated revenues and unobligated balances exceed
13 appropriations. The reductions may be made in the amounts and at the
14 times necessary for cash flow considerations to allow all the
15 dedicated accounts to maintain adequate cash balances to transact
16 routine business. The legislature may authorize, in the General
17 Appropriations Act, the temporary delay of the excess balance
18 reduction required under this subsection. This subsection does not
19 apply to revenues or balances in:

- 20 (1) funds outside the treasury;
- 21 (2) trust funds, which for purposes of this section
22 include funds that may or are required to be used in whole or in part
23 for the acquisition, development, construction, or maintenance of
24 state and local government infrastructures, recreational
25 facilities, or natural resource conservation facilities;
- 26 (3) funds created by the constitution or a court; or
- 27 (4) funds for which separate accounting is required by

1 federal law.

2 (f) This section expires September 1, 2025 [~~2023~~].

3 SECTION 13. AMENDMENT OF SECTION 403.0956, GOVERNMENT CODE.
4 Effective September 1, 2023, Section 403.0956, Government Code, is
5 amended to read as follows:

6 Sec. 403.0956. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
7 DEDICATED REVENUE. Notwithstanding any other law, all interest or
8 other earnings that accrue on all revenue held in an account in the
9 general revenue fund any part of which Section 403.095 makes
10 available for certification under Section 403.121 are available for
11 any general governmental purpose, and the comptroller shall deposit
12 the interest and earnings to the credit of the general revenue fund.
13 This section does not apply to:

14 (1) interest or earnings on revenue deposited in
15 accordance with Section 51.008, Education Code;

16 (2) an account that accrues interest or other earnings
17 on deposits of state or federal money the diversion of which is
18 specifically excluded by federal law;

19 (3) the lifetime license endowment account;

20 (4) the game, fish, and water safety account;

21 (5) the coastal protection account;

22 (6) the Alamo complex account; [~~or~~]

23 (7) the artificial reef account;

24 (8) the sexual assault program fund; or

25 (9) the deferred maintenance fund account.

26 SECTION 14. AMENDMENT OF SECTION 420.008, GOVERNMENT CODE.

27 Effective September 1, 2023, Section 420.008(b), Government Code,

1 is amended to read as follows:

2 (b) The fund consists of:

3 (1) fees and fines collected under:

4 (A) Article 42A.653(a), Code of Criminal
5 Procedure;

6 (B) Section 508.189, Government Code; and

7 (C) Subchapter B, Chapter 102, Business &
8 Commerce Code, and deposited under Section 102.054 of that code;
9 ~~and~~

10 (2) administrative penalties collected under Section
11 51.258, Education Code; and

12 (3) interest and other earnings on money in the fund.

13 SECTION 15. AMENDMENT OF SECTION 2165.403, GOVERNMENT CODE.
14 Effective September 1, 2023, Section 2165.403(b), Government Code,
15 is amended to read as follows:

16 (b) The fund consists of money appropriated, credited, or
17 transferred to the fund by or at the direction of the legislature,
18 including interest and other earnings on money in the fund.

19 SECTION 16. AMENDMENT OF SECTION 361.014, HEALTH AND SAFETY
20 CODE. Effective September 1, 2023, Section 361.014(d), Health and
21 Safety Code, is amended to read as follows:

22 (d) Revenues allocated to the commission for the purposes
23 authorized by Subsection (a) or (b) shall be deposited to the credit
24 of the waste management account. ~~[Revenues allocated to local and
25 regional solid waste projects shall be deposited to the credit of an
26 account in the general revenue fund known as the municipal solid
27 waste disposal account.]~~

1 SECTION 17. AMENDMENT OF SECTION 504.6012, TRANSPORTATION
2 CODE. Effective September 1, 2023, Section 504.6012,
3 Transportation Code, is amended to read as follows:

4 Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS;
5 REVENUES IN TRUST. (a) Notwithstanding any other law, not later
6 than September 30, 2023 [~~2021~~], the comptroller shall eliminate all
7 dedicated accounts established for specialty license plates and
8 shall set aside the balances of those dedicated accounts so that the
9 balances may be appropriated only for the purposes intended as
10 provided by the dedications.

11 (b) On and after September 1, 2023 [~~2021~~], the portion of a
12 fee payable that is designated for deposit to a dedicated account
13 shall be paid instead to the credit of an account in a trust fund
14 created by the comptroller outside the general revenue fund. The
15 comptroller shall administer the trust fund and accounts and may
16 allocate the corpus and earnings on each account only in accordance
17 with the dedications of the revenue deposited to the trust fund
18 accounts.

19 SECTION 18. ABOLISHMENT OF SOLID WASTE DISPOSAL FEES
20 ACCOUNT. Effective September 1, 2023, the solid waste disposal
21 fees account no. 5000 is abolished and the obligations of and
22 unobligated account balances in the account are transferred to the
23 waste management account no. 0549.

24 SECTION 19. ACCOUNTS IN GENERAL REVENUE FUND. Effective on
25 the later of the effective date of the Act creating or re-creating
26 the specified account or August 31, 2023, the following accounts,
27 the revenue deposited to the credit of those accounts, and the

1 revenue dedicated for deposit to the credit of those accounts are
2 exempt from Section 2 of this Act and the accounts are created or
3 re-created in the general revenue fund, if created or re-created by
4 an Act of the 88th Legislature, Regular Session, 2023, that becomes
5 law:

6 (1) the Lone Star Workforce of the Future Fund created
7 as an account in the general revenue fund by House Bill No. 1755 or
8 similar legislation;

9 (2) the gulf coast protection account created as an
10 account in the general revenue fund by House Bill No. 2416 or
11 similar legislation;

12 (3) the accounts created as accounts in the general
13 revenue fund by House Bill No. 3323 or similar legislation;

14 (4) the program fund created as an account in the
15 general revenue fund by House Bill No. 3771 or similar legislation;

16 (5) the accounts created in the general revenue fund
17 by House Bill No. 4772 or similar legislation;

18 (6) the Texas Semiconductor Innovation Fund created as
19 an account in the general revenue fund by House Bill No. 5174 or
20 similar legislation;

21 (7) the program fund created as an account in the
22 general revenue fund by Senate Bill No. 8 or similar legislation;

23 (8) the statewide water public awareness account
24 created as an account in the general revenue fund by Senate Bill
25 No. 28 or similar legislation;

26 (9) the renewable energy generation facility cleanup
27 fund created as an account in the general revenue fund by Senate

1 Bill No. 624 or similar legislation; and

2 (10) the port access account fund created as an
3 account in the general revenue fund by Senate Bill No. 1499 or
4 similar legislation.

5 SECTION 20. EFFECT OF ACT. (a) This Act prevails over any
6 other Act of the 88th Legislature, Regular Session, 2023,
7 regardless of the relative dates of enactment, that purports to
8 create or re-create a special fund or account or to dedicate or
9 rededicate revenue to a particular purpose, including any fund,
10 account, or revenue dedication abolished under former Section
11 403.094, Government Code.

12 (b) An exemption from the application of Section 403.095,
13 Government Code, contained in another Act of the 88th Legislature,
14 Regular Session, 2023, that is exempted from the application of
15 Section 2 of this Act has no effect.

16 (c) Revenue that, under the terms of another Act of the 88th
17 Legislature, Regular Session, 2023, would be deposited to the
18 credit of a special account or fund shall be deposited to the credit
19 of the undedicated portion of the general revenue fund unless the
20 fund, account, or dedication is exempted under this Act.

21 (d) This Act prevails over any other Act of the 88th
22 Legislature, Regular Session, 2023, regardless of the relative
23 dates of enactment, that purports to allocate interest or other
24 earnings that accrue on revenue held in an account in the general
25 revenue fund any part of which Section 403.095, Government Code,
26 makes available for certification under Section 403.121,
27 Government Code.

1 SECTION 21. EFFECTIVE DATE. Except as otherwise provided
2 by this Act:

3 (1) this Act takes effect immediately if this Act
4 receives a vote of two-thirds of all the members elected to each
5 house, as provided by Section 39, Article III, Texas Constitution;
6 and

7 (2) if this Act does not receive the vote necessary for
8 immediate effect, this Act takes effect on the 91st day after the
9 last day of the legislative session.

President of the Senate

Speaker of the House

I certify that H.B. No. 3461 was passed by the House on April 28, 2023, by the following vote: Yeas 146, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3461 on May 26, 2023, by the following vote: Yeas 141, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3461 was passed by the Senate, with amendments, on May 24, 2023, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor