

1-1 By: Bonnen (Senate Sponsor - Huffman) H.B. No. 3461
 1-2 (In the Senate - Received from the House May 1, 2023;
 1-3 May 1, 2023, read first time and referred to Committee on Finance;
 1-4 May 18, 2023, reported favorably by the following vote: Yeas 17,
 1-5 Nays 0; May 18, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			
1-24	X			

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the creation and re-creation of funds and accounts, the
 1-28 dedication and rededication of revenue and allocation of accrued
 1-29 interest on dedicated revenue, and the exemption of unappropriated
 1-30 money from use for general governmental purposes.

1-31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-32 SECTION 1. DEFINITION. In any provision of this Act that
 1-33 does not amend current law, "state agency" means an office,
 1-34 institution, or other agency that is in the executive or judicial
 1-35 branch of state government, has authority that is not limited to a
 1-36 geographical portion of the state, and was created by the
 1-37 constitution or a statute of this state. The term does not include
 1-38 an institution of higher education as defined by Section 61.003,
 1-39 Education Code.

1-40 SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS.
 1-41 Except as otherwise specifically provided by this Act, all funds
 1-42 and accounts created or re-created by an Act of the 88th
 1-43 Legislature, Regular Session, 2023, that becomes law and all
 1-44 dedications or rededications of revenue collected by a state agency
 1-45 for a particular purpose by an Act of the 88th Legislature, Regular
 1-46 Session, 2023, that becomes law are abolished on the later of August
 1-47 31, 2023, or the date the Act creating or re-creating the fund or
 1-48 account or dedicating or rededicating revenue takes effect.

1-49 SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND
 1-50 ACCOUNTS. Section 2 of this Act does not apply to:

1-51 (1) statutory dedications, funds, and accounts that
 1-52 were enacted before the 88th Legislature convened to comply with
 1-53 requirements of state constitutional or federal law;

1-54 (2) dedications, funds, or accounts that remained
 1-55 exempt from former Section 403.094(h), Government Code, at the time
 1-56 dedications, accounts, and funds were abolished under that
 1-57 provision;

1-58 (3) increases in fees or other revenue dedicated as
 1-59 described by this section; or

1-60 (4) increases in fees or other revenue required to be
 1-61 deposited in a fund or account described by this section.

2-1 SECTION 4. FEDERAL FUNDS. Section 2 of this Act does not
 2-2 apply to funds created under an Act of the 88th Legislature, Regular
 2-3 Session, 2023, for which separate accounting is required by federal
 2-4 law, except that the funds shall be deposited in accounts in the
 2-5 general revenue fund unless otherwise required by federal law.

2-6 SECTION 5. TRUST FUNDS. Section 2 of this Act does not
 2-7 apply to trust funds or dedicated revenue deposited to trust funds
 2-8 created under an Act of the 88th Legislature, Regular Session,
 2-9 2023, except that the trust funds shall be held in the state
 2-10 treasury, with the comptroller in trust, or outside the state
 2-11 treasury with the comptroller's approval.

2-12 SECTION 6. BOND FUNDS. Section 2 of this Act does not apply
 2-13 to bond funds and pledged funds created or affected by an Act of the
 2-14 88th Legislature, Regular Session, 2023, except that the funds
 2-15 shall be held in the state treasury, with the comptroller in trust,
 2-16 or outside the state treasury with the comptroller's approval.

2-17 SECTION 7. CONSTITUTIONAL DEDICATIONS, FUNDS, AND
 2-18 ACCOUNTS. Section 2 of this Act does not apply to funds or accounts
 2-19 that would be created or re-created by the Texas Constitution or
 2-20 revenue that would be dedicated or rededicated by the Texas
 2-21 Constitution under a constitutional amendment proposed by the 88th
 2-22 Legislature, Regular Session, 2023, or to dedicated revenue
 2-23 deposited to funds or accounts that would be so created or
 2-24 re-created, if the constitutional amendment is approved by the
 2-25 voters.

2-26 SECTION 8. ADDITIONAL USES FOR DEDICATED FUNDS OR ACCOUNTS.
 2-27 Section 2 of this Act does not apply to a newly authorized use of
 2-28 money in a dedicated fund or dedicated account as provided by an Act
 2-29 of the 88th Legislature, Regular Session, 2023, to the extent:

2-30 (1) the fund or account was exempted from abolition by
 2-31 an Act of the legislature that became law before January 1, 2023;
 2-32 and

2-33 (2) the newly authorized use is within the scope of the
 2-34 original dedication of the fund or account.

2-35 SECTION 9. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
 2-36 DEDICATED REVENUE. (a) This section applies only to an account in
 2-37 the general revenue fund:

2-38 (1) any part of which Section 403.095, Government
 2-39 Code, makes available for certification under Section 403.121,
 2-40 Government Code; and

2-41 (2) that is created or re-created by an Act of the 88th
 2-42 Legislature, Regular Session, 2023.

2-43 (b) Except as provided by this Act, all interest and other
 2-44 earnings that accrue on all revenue held in an account in the
 2-45 general revenue fund are available for any general governmental
 2-46 purpose.

2-47 (c) Except as provided by this Act, the comptroller shall
 2-48 deposit all interest and other earnings that accrue on all revenue
 2-49 held in an account in the general revenue fund to the credit of the
 2-50 general revenue fund.

2-51 SECTION 10. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE.
 2-52 Effective September 1, 2023, Sections 403.095(b), (d), and (f),
 2-53 Government Code, are amended to read as follows:

2-54 (b) Notwithstanding any law dedicating or setting aside
 2-55 revenue for a particular purpose or entity, dedicated revenues that
 2-56 on August 31, 2025 [~~2023~~], are estimated to exceed the amount
 2-57 appropriated by the General Appropriations Act or other laws
 2-58 enacted by the 88th [~~87th~~] Legislature are available for general
 2-59 governmental purposes and are considered available for the purpose
 2-60 of certification under Section 403.121.

2-61 (d) Following certification of the General Appropriations
 2-62 Act and other appropriations measures enacted by the 88th [~~87th~~]
 2-63 Legislature, the comptroller shall reduce each dedicated account as
 2-64 directed by the legislature by an amount that may not exceed the
 2-65 amount by which estimated revenues and unobligated balances exceed
 2-66 appropriations. The reductions may be made in the amounts and at the
 2-67 times necessary for cash flow considerations to allow all the
 2-68 dedicated accounts to maintain adequate cash balances to transact
 2-69 routine business. The legislature may authorize, in the General

3-1 Appropriations Act, the temporary delay of the excess balance
3-2 reduction required under this subsection. This subsection does not
3-3 apply to revenues or balances in:

- 3-4 (1) funds outside the treasury;
- 3-5 (2) trust funds, which for purposes of this section
3-6 include funds that may or are required to be used in whole or in part
3-7 for the acquisition, development, construction, or maintenance of
3-8 state and local government infrastructures, recreational
3-9 facilities, or natural resource conservation facilities;
- 3-10 (3) funds created by the constitution or a court; or
- 3-11 (4) funds for which separate accounting is required by
3-12 federal law.

3-13 (f) This section expires September 1, 2025 [~~2023~~].

3-14 SECTION 11. AMENDMENT OF SECTION 504.6012, TRANSPORTATION
3-15 CODE. Effective September 1, 2023, Section 504.6012,
3-16 Transportation Code, is amended to read as follows:

3-17 Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS;
3-18 REVENUES IN TRUST. (a) Notwithstanding any other law, not later
3-19 than September 30, 2023 [~~2021~~], the comptroller shall eliminate all
3-20 dedicated accounts established for specialty license plates and
3-21 shall set aside the balances of those dedicated accounts so that the
3-22 balances may be appropriated only for the purposes intended as
3-23 provided by the dedications.

3-24 (b) On and after September 1, 2023 [~~2021~~], the portion of a
3-25 fee payable that is designated for deposit to a dedicated account
3-26 shall be paid instead to the credit of an account in a trust fund
3-27 created by the comptroller outside the general revenue fund. The
3-28 comptroller shall administer the trust fund and accounts and may
3-29 allocate the corpus and earnings on each account only in accordance
3-30 with the dedications of the revenue deposited to the trust fund
3-31 accounts.

3-32 SECTION 12. EFFECT OF ACT. (a) This Act prevails over any
3-33 other Act of the 88th Legislature, Regular Session, 2023,
3-34 regardless of the relative dates of enactment, that purports to
3-35 create or re-create a special fund or account or to dedicate or
3-36 rededicate revenue to a particular purpose, including any fund,
3-37 account, or revenue dedication abolished under former Section
3-38 403.094, Government Code.

3-39 (b) An exemption from the application of Section 403.095,
3-40 Government Code, contained in another Act of the 88th Legislature,
3-41 Regular Session, 2023, that is exempted from the application of
3-42 Section 2 of this Act has no effect.

3-43 (c) Revenue that, under the terms of another Act of the 88th
3-44 Legislature, Regular Session, 2023, would be deposited to the
3-45 credit of a special account or fund shall be deposited to the credit
3-46 of the undedicated portion of the general revenue fund unless the
3-47 fund, account, or dedication is exempted under this Act.

3-48 (d) This Act prevails over any other Act of the 88th
3-49 Legislature, Regular Session, 2023, regardless of the relative
3-50 dates of enactment, that purports to allocate interest or other
3-51 earnings that accrue on revenue held in an account in the general
3-52 revenue fund any part of which Section 403.095, Government Code,
3-53 makes available for certification under Section 403.121,
3-54 Government Code.

3-55 SECTION 13. EFFECTIVE DATE. Except as otherwise provided
3-56 by this Act:

3-57 (1) this Act takes effect immediately if this Act
3-58 receives a vote of two-thirds of all the members elected to each
3-59 house, as provided by Section 39, Article III, Texas Constitution;
3-60 and

3-61 (2) if this Act does not receive the vote necessary for
3-62 immediate effect, this Act takes effect on the 91st day after the
3-63 last day of the legislative session.

3-64 * * * * *