

1 AN ACT

2 relating to state fiscal management, including adjustments to
3 certain school district fiscal matters made necessary by recent
4 changes in state fiscal management; making related appropriations.

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

6 SECTION 1. For the fiscal biennium beginning September 1,
7 2003, the comptroller is appropriated from the general revenue fund
8 the amount needed to return any available cash that was transferred
9 to that fund from a fund outside the state treasury and to maintain
10 the equity of the fund from which the transfer was made, as required
11 by Section 403.092, Government Code, as amended by Section 19, H.B.
12 No. 2425, Acts of the 78th Legislature, Regular Session, 2003.

13 SECTION 2. Not more than \$5,000,000 of the appropriation
14 made by Section 1 of this Act may be used to allocate earned
15 interest to a fund outside the state treasury under Section
16 403.092(a), Government Code.

17 SECTION 3. During the state fiscal biennium beginning
18 September 1, 2003, the comptroller shall return available cash that
19 has been transferred from a fund outside the state treasury to a
20 fund within the state treasury under Section 403.092(a), Government
21 Code, together with the earned interest on the transferred amount,
22 to the fund from which the available cash was transferred within 14
23 days after the date on which the available cash was transferred.

24 SECTION 4. The changes made to Section 42.259, Education

1 Code, by Section 4, H.B. No. 2425, Acts of the 78th Legislature,
2 Regular Session, 2003, and Section 35, H.B. No. 3459, Acts of the
3 78th Legislature, Regular Session, 2003, effectively transferring
4 certain payments to school districts from August of a state fiscal
5 year to September of the following fiscal year, apply only to a
6 payment from the foundation school fund that is made on or after
7 January 1, 2004. A payment to a school district from the foundation
8 school fund that is made before that date is governed by Section
9 42.259, Education Code, as it existed on June 1, 2003, and the
10 former law is continued in effect for that purpose.

11 SECTION 5. Subchapter A, Chapter 22, Education Code, is
12 amended by adding Section 22.007 to read as follows:

13 Sec. 22.007. RETIREMENT SAVINGS PLAN FOR CERTAIN EMPLOYEES.

14 (a) In this section:

15 (1) "Employer" has the meaning assigned by Section
16 821.001, Government Code.

17 (2) "Social security coverage" means old-age,
18 survivors, and disability insurance benefits under Title II, Social
19 Security Act (42 U.S.C. Section 401 et seq.), as amended.

20 (3) "Wages" has the meaning assigned by Section 209,
21 Social Security Act (42 U.S.C. Section 409), as amended.

22 (b) An employer shall enter into a salary reduction
23 agreement as provided by this section with each employee who:

24 (1) is employed by the employer in a position for which
25 social security coverage is not provided; and

26 (2) is subject to the waiting period required by
27 Section 822.001, Government Code, that precedes membership in the

1 Teacher Retirement System of Texas.

2 (c) A salary reduction agreement under Subsection (b) must
3 provide for the employer to reduce the employee's salary for the
4 purpose of:

5 (1) making direct contributions to a deferred
6 compensation plan under Chapter 609, Government Code;

7 (2) purchasing a qualified investment product as
8 provided by Chapter 22, Acts of the 57th Legislature, 3rd Called
9 Session, 1962 (Article 6228a-5, Vernon's Texas Civil Statutes); or

10 (3) making direct contributions to a retirement system
11 maintained by the employer that meets the requirements of Section
12 3121(b)(7)(F), Internal Revenue Code of 1986, as amended.

13 (d) The total amount contributed under Subsection (c) may
14 not be less than 7.5 percent of the employee's wages for the waiting
15 period required by Section 822.001, Government Code, that precedes
16 membership in the Teacher Retirement System of Texas. An employer
17 may elect to contribute any portion of the percentage amount
18 required by this subsection.

19 (e) A salary reduction agreement under Subsection (b) must
20 provide for the agreement to be terminated on the day before the
21 first day of the first payroll period for which the employer makes a
22 deduction for deposit with the Teacher Retirement System of Texas
23 under Section 825.403, Government Code, unless the employee agrees
24 in writing to continue the agreement under the same terms or under
25 modified terms.

26 (f) An employer that does not enter into a salary reduction
27 agreement with an employee as provided by this section must provide

1 social security coverage for the employee.

2 (g) This section does not prohibit an employee from entering
3 into any other salary reduction agreement.

4 (h) This section expires September 1, 2005.

5 SECTION 6. Section 403.302, Government Code, is amended by
6 adding Subsection (c-1) to read as follows:

7 (c-1) Notwithstanding Subsection (c), if after conducting
8 the annual study for the year 2002 the comptroller determines that
9 the local value for a school district is invalid and the local value
10 exceeds the state value for the school district determined by the
11 comptroller under Subsections (a) and (b), the taxable value for
12 the school district for that year is the district's state value as
13 established by the comptroller. This subsection expires September
14 30, 2004.

15 SECTION 7. Section 403.302(m), Government Code, as added by
16 S.B. No. 671, Acts of the 78th Legislature, Regular Session, 2003,
17 is repealed.

18 SECTION 8. (a) Section 11.28, Article IX, House Bill No. 1,
19 Acts of the 78th Legislature, Regular Session, 2003 (the General
20 Appropriations Act), is amended by amending Subsection (a) and
21 adding Subsections (c) and (d) to read as follows:

22 (a) Notwithstanding other provisions of this Act, based
23 upon the passage of federal legislation that provides federal funds
24 for the purpose of state fiscal relief, such funds are
25 appropriated[~~, after the implementation of Section 11.15,~~
26 ~~Contingency Appropriation Reduction and Contingency~~
27 ~~Appropriation,~~] to the Comptroller of Public Accounts in the fiscal

1 year in which the funds are received for the purpose of transferring
2 funds to state agencies for state fiscal relief, as directed by the
3 Governor and Legislative Budget Board acting under Chapter 317,
4 Government Code, and in accordance with [~~provided by~~] subsection
5 (b) of this section.

6 (c) Notwithstanding Section 11.15(b) of this article, an
7 amount equal to the sum of the General Revenue Fund and general
8 revenue dedicated account appropriations contained in this Act that
9 are vetoed by the Governor under Section 14, Article IV, Texas
10 Constitution, is appropriated out of the General Revenue Fund or
11 appropriate general revenue dedicated account to the Comptroller of
12 Public Accounts for the state fiscal biennium beginning September
13 1, 2003, for the purpose of transferring funds to state agencies for
14 state fiscal relief, as directed by the Governor and Legislative
15 Budget Board acting under Chapter 317, Government Code, and in
16 accordance with subsection (b) of this section.

17 (d) This section does not prohibit the Governor and the
18 Legislative Budget Board, acting under Chapter 317, Government
19 Code, from making an emergency transfer of money appropriated by
20 this section, based on need, to an agency or for a purpose that is
21 not described by subsection (b) of this section.

22 (b) In the event of a conflict between this Act and another
23 Act enacted by the 78th Legislature, 1st Called Session, 2003, that
24 becomes law and that amends Section 11.28, Article IX, House Bill
25 No. 1, Acts of the 78th Legislature, Regular Session, 2003 (the
26 General Appropriations Act), this Act controls.

27 SECTION 9. The heading to Section 11.28, Article IX, House

1 Bill No. 1, Acts of the 78th Legislature, Regular Session, 2003 (the
2 General Appropriations Act), is amended to read as follows:

3 Sec. 11.28. Appropriation of State Fiscal Relief Federal
4 Funds and Reappropriation for State Fiscal Relief of Vetoed General
5 Revenue Appropriations.

6 SECTION 10. This Act takes effect immediately if it
7 receives a vote of two-thirds of all the members elected to each
8 house, as provided by Section 39, Article III, Texas Constitution.
9 If this Act does not receive the vote necessary for immediate
10 effect, this Act takes effect on the 91st day after the last day of
11 the legislative session.

President of the Senate

Speaker of the House

I certify that H.B. No. 5 was passed by the House on July 10, 2003, by the following vote: Yeas 139, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 5 on July 21, 2003, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 5 on July 28, 2003, by the following vote: Yeas 82, Nays 19; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

Chief Clerk of the House

H.B. No. 5

I certify that H.B. No. 5 was passed by the Senate, with amendments, on July 18, 2003, by the following vote: Yeas 29, Nays 1; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 5 on July 24, 2003, by the following vote: Yeas 31, Nays 0; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

Secretary of the Senate

I certify that the amounts appropriated in the herein H.B. No. 5, 1st Called Session of the 78th Legislature, are within amounts estimated to be available in the affected fund.

Certified _____

Comptroller of Public Accounts

APPROVED: _____

Date

Governor