

## **BILL ANALYSIS**

C.S.H.B. 133  
By: Isett  
State Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Under current law, the rate of growth of appropriations from state tax revenues not constitutionally dedicated is prohibited from exceeding the rate of growth of the state's economy in a given biennium. When Article 8, Section 22 of the Texas Constitution was enacted, the voters' intent was to prioritize spending within the available dollars, and those dollars were to be tied to the growth of the economy. Without a change in the law, this intent may not be fulfilled. The purpose of C.S.H.B. 133 is to restrict growth in state appropriations to a rate equal to the sum of the estimated rate of growth of the state's population and the estimated rate of inflation in the state.

### **RULEMAKING AUTHORITY**

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 133 is the implementing legislation for Committee Substitute House Joint Resolution 15 by Isett. The bill amends Subchapter A, Chapter 316, of the Government Code to require that the growth of state appropriations from the current biennium to the next biennium from all sources of revenue except the federal government cannot exceed a rate equal to the sum of the estimated rate of growth of the state's population and the estimated rate of inflation in the state. The bill includes methodologies for calculating the base figure for determining the level of appropriations for the current biennium and the rate of growth of appropriations from the current biennium to the next biennium. The bill makes additional conforming changes to Subchapter A, Chapter 316, of the Government Code consistent with the provisions of C.S.H.J.R. 15 by Isett.

### **EFFECTIVE DATE**

The Act takes effect on the date on which House Joint Resolution 15, proposed by the 78th Legislature, Regular Session, 2003, takes effect. If that resolution is not approved by the voters, the Act has no effect. The changes in law made by the Act apply only in relation to appropriations made for the state fiscal biennium beginning September 1, 2005, and subsequent fiscal bienniums.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 133 modifies the original by prohibiting the rate of growth of appropriations from the current biennium to the next biennium from exceeding a rate equal to the sum of the estimated rate of growth of the state's population and the estimated rate of inflation in the state, rather than the estimated rate of growth of total personal income in the state, as was provided in the original bill. The substitute makes conforming changes to accommodate this change. The substitute also changes the original by providing that appropriations for the state fiscal biennium that begins September 1, 2003 are governed by certain provisions of Chapter 316 of the Government Code as they existed on January 1, 2003.

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