

BILL ANALYSIS

C.S.H.B. 3318
By: Luna
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The 72nd Legislature enacted Section 403.094, Government Code, which relates to the consolidation of funds in existence before August 31, 1993. This section also provides for the abolishment of dedications in existence prior to August 31, 1995, unless otherwise expressly exempted. Committee Substitute House Bill 3318 provides regulations for the creation and recreation of funds and accounts in the state treasury, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

RULEMAKING AUTHORITY

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

ANALYSIS

Committee Substitute House Bill 3318 provides that all funds and accounts created or recreated in the state treasury by an Act of the 78th Legislature that becomes law, all dedications or rededications of revenue in the state treasury or otherwise collected by a state agency for a particular purpose by an Act of the 78th Legislature that becomes law, and all allocations of revenue made by an Act of the 78th Legislature that becomes law are abolished on the later of August 30, 2003, or the date the Act creating or recreating the fund or account or dedicating or rededicating the revenue takes effect.

Committee Substitute House Bill 3318 sets forth statutory funds, accounts, allocations or dedications of revenue, and increases in fees and other revenue that are exempt from abolishment. This substitute provides that the following accounts and funds in the state treasury and the revenue deposited to the credit of the accounts and funds, are exempt from being abolished, if created by an Act of the 78th Legislature that becomes law:

- the specialty license plate account created by Senate Bill 1704 and revenue dedicated by that bill if it becomes law during the 78th Legislature;
- the specialty license plate fund created by House Bill 3106 and revenue dedicated by that bill if it becomes law during the 78th Legislature;
- funds created under an Act of the 78th Legislature and deposited in accounts in the general revenue fund (unless otherwise required by federal law) for which separate accounting is required by federal law;
- trust funds created under an Act of the 78th Legislature and required to be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval;
- bond funds and pledged funds created or affected by an Act of the 78th Legislature and required to be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval; and
- funds or accounts that would be created or recreated in the Texas Constitution or revenue that would be dedicated or rededicated by the Texas Constitution.

Committee Substitute House Bill 3318 establishes the system benefit fund as an account in the general revenue fund and exempts it from being abolished. This substitute also changes the subsequent injury fund from a special fund in the state treasury to an account in the general revenue fund and exempts it from being abolished. This substitute also re-creates the tertiary care account in general revenue and exempts it from being abolished.

Committee Substitute House Bill 3318 amends the Government Code to extend by two years provisions regarding the use of dedicated revenue. This substitute also provides that the Act prevails over any other Act of the 78th Legislature, regardless of the relative dates of enactment, that purports to create or recreate a special fund or account in the state treasury, to allocate revenue, or to dedicate or rededicate revenue to a particular purpose, including any fund, account, or revenue dedication that was abolished. This substitute also requires revenues that, under the terms of another Act of the 78th Legislature, would be deposited to the credit of a special account or fund shall be deposited to the credit of the unobligated portion of the general revenue fund unless the fund, account, allocation, or dedication is exempted under this Act.

EFFECTIVE DATE

Upon passage, or if the Act does not receive the necessary vote, the Act takes effect on September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

Committee Substitute House Bill 3318 modifies the original by adding conforming language throughout the substitute that includes allocations of revenue as a use of money that is affected by this Act.

Committee Substitute House Bill 3318 modifies the original by removing language that would continue the system benefit fund as a trust fund with the comptroller in the treasury and adding language that establishes the system benefit fund as an account in the general revenue fund and exempts it from abolishment.

Committee Substitute House Bill 3318 modifies the original by adding language that changes the subsequent injury fund from a special fund in the state treasury to an account in the general revenue fund and exempts it from being abolished.

Committee Substitute House Bill 3318 modifies the original by adding language that re-creates the tertiary care account as an account in the general revenue fund and exempts it from abolishment.

Committee Substitute House Bill 3318 modifies the original by adding language that exempts the specialty license plate account created by Senate Bill 1704, the specialty license plate fund created by House Bill 3106, and the revenue dedicated by those bills from being abolished.

Committee Substitute House Bill 3318 modifies the original by removing language that would provide for the exemption of certain dedications, funds, and accounts.

Committee Substitute House Bill 3318 modifies the original by removing language that would exempt the telecommunications infrastructure fund from abolishment because the fund was already exempted in

the previous legislative session.

Committee Substitute House Bill 3318 modifies the original by removing language that creates an account within the general revenue fund in which revenue from the sale of Texas State Rifle Association license plates would be collected and from which certain scholarship programs at Texas A&M University could be funded.

Committee Substitute House Bill 3318 modifies the original by removing language that would exempt the holding fund from abolishment because the fund was already exempted in the previous legislative session.

Committee Substitute House Bill 3318 modifies the original by making certain alterations in the language of the effective date provision.