

By: Isett, Delisi, Bohac, et al.

H.B. No. 133

Substitute the following for H.B. No. 133:

By: Cook of Navarro

C.S.H.B. No. 133

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the constitutional limitation on the rate of growth of  
3 appropriations.

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

5 SECTION 1. Sections 316.001, 316.002, 316.006, 316.007, and  
6 316.008, Government Code, are amended to read as follows:

7 Sec. 316.001. LIMIT. The rate of growth of appropriations  
8 from the current biennium to the next [in a] biennium from all  
9 sources of revenue except the federal government [state tax  
10 revenues not dedicated by the constitution] may not exceed a rate  
11 equal to the sum of the estimated rate of growth of the state's  
12 population during the next biennium and the estimated rate of  
13 inflation in the state during the next biennium [the state's  
14 economy]. For purposes of this subchapter, the base figure for  
15 determining the level of appropriations from all sources of revenue  
16 except the federal government for the current biennium is the  
17 lesser of:

18 (1) the amount of money appropriated for the current  
19 biennium from all sources of revenue other than the federal  
20 government, as cumulatively estimated by the comptroller at the  
21 times the comptroller endorsed, in accordance with Section 49a,  
22 Article III, Texas Constitution, the comptroller's certificate on  
23 the bills making the appropriations; and

24 (2) the amount of money actually appropriated for the

1 current biennium from all sources of revenue other than the federal  
2 government, as estimated by the comptroller at the request of the  
3 Legislative Budget Board.

4 Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD. (a)  
5 Before the Legislative Budget Board submits the budget as  
6 prescribed by Section 322.008 [~~322.008(b)~~], the board shall  
7 establish:

8 (1) the rate equal to the sum of the estimated rate of  
9 growth of the state's population during [~~the state's economy from~~  
10 ~~the current biennium to~~] the next biennium and the estimated rate of  
11 inflation in the state during the next biennium;

12 (2) the level of appropriations for the current  
13 biennium from all sources of revenue except the federal government  
14 [~~state tax revenues not dedicated by the constitution~~]; and

15 (3) the amount of state revenue from all sources  
16 except the federal government [~~tax revenues not dedicated by the~~  
17 ~~constitution~~] that could be appropriated for the next biennium  
18 within the limit established by the estimated rate computed under  
19 Subdivision (1) [~~of growth of the state's economy~~].

20 (b) [~~Except as provided by Subsection (c), the board shall~~  
21 ~~determine the estimated rate of growth of the state's economy by~~  
22 ~~dividing the estimated Texas total personal income for the next~~  
23 ~~biennium by the estimated Texas total personal income for the~~  
24 ~~current biennium. Using standard statistical methods, the board~~  
25 ~~shall make the estimate by projecting through the biennium the~~  
26 ~~estimated Texas total personal income reported by the United States~~  
27 ~~Department of Commerce or its successor in function.~~

1       ~~[(c) If a more comprehensive definition of the rate of~~  
2 ~~growth of the state's economy is developed and is approved by the~~  
3 ~~committee established by Section 316.005, the board may use that~~  
4 ~~definition in calculating the limit on appropriations.]~~

5       ~~[(d)]~~ To ensure compliance with Article VIII, Section 22, of  
6 the Texas Constitution, the Legislative Budget Board may not  
7 transmit in any form to the governor or the legislature the budget  
8 as prescribed by Section 322.008(c) or the general appropriations  
9 bill as prescribed by Section 322.008(d) until the limit on the rate  
10 of growth of appropriations has been adopted as required by this  
11 subchapter.

12       (c) ~~[(e)]~~ In the absence of an action by the Legislative  
13 Budget Board to adopt a spending limit as provided in Subsection  
14 ~~[Subsections] (a) [and (b)], the [estimated rate of growth in the~~  
15 ~~state's economy from the current biennium to the next biennium~~  
16 ~~shall be treated as if it were zero, and the]~~ amount of state  
17 revenue from all sources except the federal government ~~[tax~~  
18 ~~revenues not dedicated by the constitution]~~ that may ~~[could]~~ be  
19 appropriated for the next biennium ~~[within the limit established by~~  
20 ~~the estimated rate of growth in the state's economy]~~ shall be the  
21 same as the level of appropriations for the current biennium.

22       Sec. 316.006. LIMIT ON BUDGET RECOMMENDATIONS. Unless  
23 authorized by majority vote of the members of the board from each  
24 house, the Legislative Budget Board budget recommendations  
25 relating to the proposed appropriations of revenue from all sources  
26 except the federal government ~~[state tax revenues not dedicated by~~  
27 ~~the constitution]~~ may not exceed the limit adopted by the committee

1 under Section 316.005.

2           Sec. 316.007. TRANSMISSION OF RECOMMENDATIONS. (a) The  
3 Legislative Budget Board shall include in its budget  
4 recommendations the proposed limit of appropriations from all  
5 sources of revenue except the federal government [~~state tax~~  
6 ~~revenues not dedicated by the constitution~~].

7           (b) The board shall transmit the recommendations to the  
8 governor and to each member of the legislature.

9           Sec. 316.008. EFFECT OF LIMIT; ENFORCEMENT. (a) Unless the  
10 legislature adopts a resolution under Article VIII, Section 22(b),  
11 of the Texas Constitution raising the proposed limit on  
12 appropriations, the proposed limit is binding on the legislature  
13 with respect to all appropriations for the next biennium made from  
14 all sources of revenue except the federal government [~~state tax~~  
15 ~~revenues not dedicated by the constitution~~].

16           (b) The rules of the house of representatives and senate  
17 shall provide for enforcement of Subsection (a).

18           SECTION 2. The changes in law made by this Act apply only in  
19 relation to appropriations made for the state fiscal biennium  
20 beginning September 1, 2005, and subsequent state fiscal bienniums.  
21 Appropriations for the state fiscal biennium that begins September  
22 1, 2003, are governed by Sections 316.001, 316.002, 316.006,  
23 316.007, and 316.008, Government Code, as those sections existed on  
24 January 1, 2003, and the former law is continued in effect for that  
25 purpose.

26           SECTION 3. This Act takes effect on the date on which the  
27 constitutional amendment proposed by the 78th Legislature, Regular

1 Session, 2003, limiting the rate of growth of the state budget paid  
2 from all sources of revenue except the federal government to a rate  
3 equal to the sum of the rate of growth of the state's population and  
4 the rate of inflation takes effect. If that amendment is not  
5 approved by the voters, this Act has no effect.