

By: Isett

H.B. No. 133

A BILL TO BE ENTITLED

AN ACT

relating to the constitutional limitation on the rate of growth of appropriations.

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

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

Sec. 316.001. LIMIT. The rate of growth of appropriations in a biennium from all sources of revenue except the federal government [~~state tax revenues not dedicated by the constitution~~] may not exceed the estimated rate of growth of total personal income in the state [~~the state's economy~~]. For purposes of this subchapter, the base figure for determining the rate of growth of appropriations is the lesser of:

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

(2) the amount of money actually appropriated for the current biennium from all sources of revenue other than the federal government, as estimated by the comptroller at the request of the Legislative Budget Board.

Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD. (a)

1 Before the Legislative Budget Board submits the budget as
2 prescribed by Section 322.008 [~~322.008(b)~~], the board shall
3 establish:

4 (1) the estimated rate of growth of total personal
5 income in the state [~~the state's economy~~] from the current biennium
6 to the next biennium;

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

10 (3) the amount of state revenue from all sources
11 except the federal government [~~tax revenues not dedicated by the~~
12 ~~constitution~~] that could be appropriated for the next biennium
13 within the limit established by the estimated rate of growth of
14 total personal income in the state [~~the state's economy~~].

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

24 (c) If a more comprehensive definition of the rate of growth
25 of total personal income in the state [~~the state's economy~~] is
26 developed and is approved by the committee established by Section
27 316.005, the board may use that definition in calculating the limit

1 on appropriations.

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

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

20 Sec. 316.006. LIMIT ON BUDGET RECOMMENDATIONS. Unless
21 authorized by majority vote of the members of the board from each
22 house, the Legislative Budget Board budget recommendations
23 relating to the proposed appropriations of revenue from all sources
24 except the federal government [~~state tax revenues not dedicated by~~
25 ~~the constitution~~] may not exceed the limit adopted by the committee
26 under Section 316.005.

27 Sec. 316.007. TRANSMISSION OF RECOMMENDATIONS. (a) The

1 Legislative Budget Board shall include in its budget
2 recommendations the proposed limit of appropriations from all
3 sources of revenue except the federal government [~~state tax~~
4 ~~revenues not dedicated by the constitution~~].

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

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

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

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

25 SECTION 3. This Act takes effect on the date on which the
26 constitutional amendment proposed by the 78th Legislature, Regular
27 Session, 2003, restricting the rate of growth of appropriations

1 from all sources of revenue except the federal government to the
2 estimated rate of growth of total personal income in this state,
3 takes effect. If that amendment is not approved by the voters, this
4 Act has no effect.