

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 29, 2003

TO: Honorable Talmadge Heflin, Chair, House Committee on Appropriations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB10 by Heflin (Relating to the use of dedicated revenue during a state budget crisis.), **As Introduced**

The bill would increase the estimate of fiscal 2003 funds available for general purposes by \$3.64 billion; however, because these funds were appropriated by the 77th Legislature, the cost of general-purpose funds appropriated would rise by the same amount. This amount includes General Revenue-Dedicated of \$2.15 billion and \$1.49 billion in Other Funds, of which \$1.45 billion consists of recaptured property taxes and disproportionate share assessments from state and local hospitals. Because there is currently no appropriation of funds beyond fiscal 2003, the fiscal impact after 2003 cannot be estimated.

The bill would amend Chapter 403 of the Government Code, relating to use of dedicated revenue for general governmental purposes during a state budget crisis.

The bill would make funds that had been set aside by law for a particular purpose or entity available for general appropriation during a current biennium if the Comptroller certified that the general revenue appropriations made by the preceding Legislature for the current biennium exceeded available general revenue and cash balances for the remainder of the biennium, and during the succeeding biennium if the Comptroller's biennial revenue estimate for the succeeding biennium was less than the revenues estimated at the same time by the Comptroller to be available for the current biennium. This analysis assumes that the term "available revenue" means available revenue and balances.

Revenue described by this section would be available for the purpose of certification under Section 403.121. Funds outside of the State Treasury, trust funds, funds created by the State Constitution or a court, and funds for which separate accounting was required by federal law would be exempt from this provision.

Currently, there is a temporary provision, Section 403.095, relating to the use of dedicated revenue that expires September 1, 2003. This bill would add a permanent provision that would allow dedicated revenue to be used for general governmental purposes during a state budget crisis.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, JO, SD, WP, SJS