

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

Revision 1

March 20, 2003

TO: Honorable Kenny Marchant, Chair, House Committee on State Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB133 by Isett (Relating to the constitutional limitation on the rate of growth of appropriations.), **As Introduced**

No fiscal implication to the State is anticipated in the current biennium. The impact on subsequent biennia would depend on the composition of state revenue in those biennia.

Currently, Article VIII, Section 22, Texas Constitution, and Chapter 316, Government Code, limit the biennial growth of certain appropriations to the estimated rate of growth of the state's economy. The current limit applies only to appropriations from state tax revenue not dedicated by the constitution.

The bill, in conjunction with a proposed constitutional amendment, would limit the biennial growth of appropriations from all state revenue sources except federal funds to the estimated rate of growth of total personal income in the state.

Under current law, the appropriations limit for a subsequent biennium can increase or decrease as a result of changes in estimated appropriations for the then current biennium. The bill would allow only net decreases in estimated appropriations to affect the appropriations limit for the subsequent biennium.

The bill would take effect only if a constitutional amendment expanding the application of the Article VIII, Section 22, limit to all state funds except federal receipts is adopted. The provisions of the bill would first apply to appropriations for the 2006-07 biennium.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller Of Public Accounts

LBB Staff: JK, RR, JO, SD, WP, RS