

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

February 13, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR15 by Isett (Proposing a constitutional amendment concerning the restriction on the rate of growth of appropriations.), **As Introduced**

No fiscal implication to the State is anticipated in the current biennium, other than the cost of publication. The cost to the state for publication of the resolution is \$85,275.

The impact on subsequent biennia would depend on the composition of state revenue in those biennia.

Currently, Article VIII, Section 22, Texas Constitution, limits 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 resolution proposes a constitutional amendment which, if adopted, 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.

Currently, 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 proposed amendment would allow only net decreases in estimated appropriations to affect the appropriations limit for the subsequent biennium.

Under current law, the legislature, after adopting a resolution to exceed the limit by a majority vote in each house, may make appropriations in excess of the limit. The proposed amendment would require that a resolution to exceed the limit receive a two-thirds vote of the membership of each house.

Under current law, bills making appropriations are sent to the Comptroller for certification under the Article III, Section 49a, "pay as you go" constitutional limit, but Comptroller certification of compliance with the Article VIII, Section 22 limit is not required. Under the proposed amendment, Comptroller certification of compliance with both the "pay as you go limit" and the Article VIII limit would be required.

The amended Article VIII limit 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, SD, WP, RS