

Amend proposed **CSHB 3** as follows:

(1) In SECTION 1B.01 of the bill, proposed Section 403.351, Government Code, strike "DEFINITIONS." and substitute "CALCULATION OF AVAILABLE STATE REVENUE AND INCREASE IN AVAILABLE STATE REVENUE. (a)".

(2) In SECTION 1B.01 of the bill, proposed Section 403.351, Government Code, between Subdivisions (1) and (2), insert the following and renumber Subdivision (2) of the section as Subdivision (3):

(2) "Federal mandate" means a statutory provision that is enacted by the United States Congress, or a regulation or order implementing a federal statute that is prescribed or issued by a federal officer or federal agency in the executive branch of the federal government, and that requires this state to establish, expand, or change an activity in a way that requires an expenditure of revenue that would not have been required in the absence of the statutory provision, regulation, or order.

(3) In SECTION 1B.01 of the bill, following proposed Section 403.351(2), Government Code, insert the following:

(b) For purposes of this section, a federal mandate is considered to be unfunded during any period for which the federal government has not provided, by appropriation or otherwise, for this state to receive federal funds in an amount estimated to be sufficient to meet the cost of complying with or implementing the mandate. If the United States Congress provides for funds by authorizing or requiring this state to collect a regulatory or user fee that the federal government will impose or that this state is authorized to impose on persons who engage in an activity that is the subject of or is directly connected to the subject of the federal mandate, the anticipated revenue from the fee is considered for purposes of this section to be funds provided by the federal government to pay for the costs of the federal mandate.

(c) Subsection (b) does not apply to:

(1) a federal mandate the existence of which is necessary for compliance with a requirement of the United States

Constitution or a court order;

(2) a federal law that creates a criminal offense or changes the elements of a criminal offense; or

(3) a decision or order by a federal officer or federal agency that requires this state to comply with, or that sanctions this state for failure to comply with, a law, regulation, or order that is not an unfunded federal mandate to which Subsection (b) applies.

(d) For purposes of this section, available state revenue excludes the amount of state revenue, other than federal funds or revenue that, under a provision of the Texas Constitution, may be used only for a particular purpose, that this state is required to spend to comply with or implement an unfunded federal mandate.

(e) In the statement required by Section 49a, Article III, Texas Constitution, in advance of a regular session of the legislature, the comptroller shall include a description of each unfunded federal mandate and the estimated amount of state revenue, other than federal funds or revenue that, under a provision of the Texas Constitution, may be used only for a particular purpose, that is required to be spent to comply with or implement the mandate.

(f) In calculating the increase in available state revenue for purposes of this section, the comptroller shall adjust the estimate made by the comptroller in advance of a regular session of the legislature under Section 49a(a), Article III, Texas Constitution, of available state revenue for the succeeding state fiscal biennium:

(1) to reflect the change in the purchasing power of the dollar since the date of the preceding estimate made by the comptroller under that subsection, using the average of:

(A) the consumer price index, as published by the Bureau of Labor Statistics of the United States Department of Labor, that measures the change in the price of medical care services purchased by urban wage earners and clerical workers (CPI-W: Seasonally Adjusted U.S. City Average--Medical Care Services); and

(B) the consumer price index, as published by the Bureau of Labor Statistics of the United States Department of

Labor, that measures the change in the price of education purchased by urban wage earners and clerical workers (CPI-W: Seasonally Adjusted U.S. City Average--Education); and

(2) to account for the percentage change in the population of the state determined by the most recent decennial census or the most recent official population estimate of the United States Department of Commerce Bureau of the Census as compared to the population two years before that census or estimate.