S.B. No. 1605

1 AN ACT

2 relating to the creation and re-creation of funds and accounts in

3 the state treasury, the dedication and rededication of revenue, and

the exemption of unappropriated money from use for general

5 governmental purposes.

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

7 SECTION 1. DEFINITION. In any provision of this Act that

does not amend current law, "state agency" means an office,

9 institution, or other agency that is in the executive branch of

state government, has authority that is not limited to a

geographical portion of the state, and was created by the

12 constitution or a statute of this state. The term does not include

an institution of higher education as defined by Section 61.003,

14 Education Code.

15 SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS.

Except as otherwise specifically provided by this Act, all funds

and accounts created or re-created in the state treasury by an Act

18 of the 79th Legislature, Regular Session, 2005, that becomes law

and all dedications or rededications of revenue in the state

treasury or otherwise collected by a state agency for a particular

21 purpose by an Act of the 79th Legislature, Regular Session, 2005,

that becomes law are abolished on the later of August 29, 2005, or

23 the date the Act creating or re-creating the fund or account or

24 dedicating or rededicating revenue takes effect.

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- 1 SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND
- 2 ACCOUNTS. Section 2 of this Act does not apply to:
- 3 (1) statutory dedications, funds, and accounts that
- 4 were enacted before the 79th Legislature convened to comply with
- 5 requirements of state constitutional or federal law;
- 6 (2) dedications, funds, or accounts that remained
- 7 exempt from former Subsection (h), Section 403.094, Government
- 8 Code, at the time dedications, accounts, and funds were abolished
- 9 under that provision;
- 10 (3) increases in fees or in other revenue dedicated as
- 11 described by this section; or
- 12 (4) increases in fees or in other revenue required to
- 13 be deposited in a fund or account described by this section.
- 14 SECTION 4. ACCOUNTS IN GENERAL REVENUE FUND. Effective on
- 15 the later of August 29, 2005, or the date the Act creating or
- 16 re-creating the account takes effect, the following accounts and
- 17 the revenue deposited to the credit of the accounts are exempt from
- 18 Section 2 of this Act and are created in the general revenue fund,
- if created or re-created by an Act of the 79th Legislature, Regular
- 20 Session, 2005, that becomes law:
- 21 (1) all accounts created or re-created by House Bill
- 22 No. 2 or similar legislation;
- 23 (2) all accounts created or re-created by House Bill
- No. 3 or similar legislation;
- 25 (3) all accounts created or re-created by House Bill
- 26 No. 3540 or similar legislation;
- 27 (4) all accounts created or re-created by Senate Bill

- 1 No. 1863 or similar legislation;
- 2 (5) the Texas emerging technology fund created by
- 3 House Bill No. 1765, Senate Bill No. 831, or similar legislation;
- 4 (6) all accounts created or re-created by Senate Bill
- 5 No. 3 or similar legislation;
- 6 (7) the convenience switch recovery account created by
- 7 House Bill No. 2793 or similar legislation;
- 8 (8) the renewing our communities account created by
- 9 House Bill No. 2479 or similar legislation; and
- 10 (9) the childhood immunization account created by
- 11 House Bill No. 2100, House Bill No. 2101, or similar legislation.
- 12 SECTION 5. FUNDS TO BECOME ACCOUNTS. Effective on the later
- of August 29, 2005, or the date the Act creating or re-creating the
- 14 fund takes effect, the following funds in the state treasury or
- 15 funds otherwise with or in the custody of the comptroller of public
- 16 accounts are re-created as accounts in the general revenue fund and
- 17 the accounts and the revenue deposited to the credit of the accounts
- 18 are exempt from Section 2 of this Act, if created or re-created by
- 19 an Act of the 79th Legislature, Regular Session, 2005, that becomes
- 20 law:
- 21 (1) the employment and training investment holding
- fund created by Senate Bill No. 1096 or similar legislation.
- 23 SECTION 6. REVENUE DEDICATIONS EXEMPT. Effective on the
- 24 later of August 29, 2005, or the date the Act dedicating or
- 25 rededicating the revenue takes effect, the following dedications or
- 26 rededications of revenue collected by a state agency for a
- 27 particular purpose are exempt from Section 2 of this Act, if

- 1 dedicated or rededicated by an Act of the 79th Legislature, Regular
- 2 Session, 2005, that becomes law:
- 3 (1) all dedications or rededications of revenue to the
- 4 Judicial Fund 0573 as provided by Senate Bill No. 368;
- 5 (2) all dedications or rededications of revenue made
- 6 by House Bill No. 2 or similar legislation;
- 7 (3) all dedications or rededications of revenue made
- 8 by House Bill No. 3 or similar legislation;
- 9 (4) all dedications or rededications of revenue made
- 10 by House Bill No. 7 or similar legislation;
- 11 (5) all dedications or rededications of revenue made
- 12 by House Bill No. 3540 or similar legislation;
- 13 (6) all dedications or rededications of revenue made
- 14 by Senate Bill No. 1863 or similar legislation;
- 15 (7) all dedications or rededications of revenue to the
- 16 State Highway Fund 0006;
- 17 (8) all dedications or rededications of revenue to the
- 18 Game, Fish, and Water Safety Account 0009 except for dedications or
- 19 rededications of revenue made by House Bill No. 3051 or similar
- 20 legislation;
- 21 (9) all dedications or rededications of revenue to the
- 22 Texas Department of Insurance Operating Account 0036;
- 23 (10) all dedications or rededications of revenue to
- 24 the Clean Air Account 0151 as provided by House Bill No. 1611 or
- 25 similar legislation;
- 26 (11) all dedications or rededications of revenue to
- 27 the Coastal Protection Account 0027 as provided by House Bill No.

- 1 2096 or similar legislation;
- 2 (12) all dedications or rededications of revenue to
- 3 the Water Resource Management Account 0153 as provided by House
- 4 Bill No. 2428 or similar legislation; and
- 5 (13) all dedications or rededications of revenue to
- 6 the Unemployment Compensation Special Administration Account 0165
- 7 as provided by House Bill No. 3250 or similar legislation.
- 8 SECTION 7. FEDERAL FUNDS. Section 2 of this Act does not
- 9 apply to funds created pursuant to an Act of the 79th Legislature,
- 10 Regular Session, 2005, for which separate accounting is required by
- 11 federal law, except that the funds shall be deposited in accounts in
- 12 the general revenue fund unless otherwise required by federal law.
- 13 SECTION 8. TRUST FUNDS. Section 2 of this Act does not
- 14 apply to trust funds or dedicated revenue deposited to trust funds
- 15 created under an Act of the 79th Legislature, Regular Session,
- 16 2005, except that the trust funds shall be held in the state
- 17 treasury, with the comptroller of public accounts in trust, or
- 18 outside the state treasury with the comptroller's approval.
- 19 SECTION 9. BOND FUNDS. Section 2 of this Act does not apply
- 20 to bond funds and pledged funds created or affected by an Act of the
- 21 79th Legislature, Regular Session, 2005, except that the funds
- shall be held in the state treasury, with the comptroller of public
- 23 accounts in trust, or outside the state treasury with the
- 24 comptroller's approval.
- 25 SECTION 10. CONSTITUTIONAL FUNDS. Section 2 of this Act
- 26 does not apply to funds or accounts that would be created or
- 27 re-created by the Texas Constitution or revenue that would be

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- 1 dedicated or rededicated by the Texas Constitution under a
- 2 constitutional amendment proposed by the 79th Legislature, Regular
- 3 Session, 2005, or to dedicated revenue deposited to funds or
- 4 accounts that would be so created or re-created, if the
- 5 constitutional amendment is approved by the voters.
- 6 SECTION 11. SCHOLARSHIP FUND FOR ARCHITECTURAL
- 7 EXAMINATION. Sections 2 and 8 of this Act do not apply to the
- 8 scholarship fund for architectural examination created or
- 9 re-created by Senate Bill No. 1279 or similar legislation creating
- 10 or re-creating the fund and do not apply to dedications or
- 11 rededications of revenue related to that fund made by that
- 12 legislation.
- 13 SECTION 12. SEPARATE FUNDS IN THE TREASURY. Effective
- 14 September 1, 2005, the following funds in the state treasury and the
- 15 revenue deposited to the credit of the funds are exempt from Section
- 16 2 of this Act and are created as separate funds in the state
- 17 treasury, if created by an Act of the 79th Legislature, Regular
- 18 Session, 2005, that becomes law:
- 19 (1) all funds created or re-created by House Bill No.
- 20 3540 or similar legislation;
- 21 (2) all funds created or re-created by Senate Bill No.
- 22 1863 or similar legislation;
- 23 (3) all funds created or re-created by House Bill No. 2
- 24 or similar legislation; and
- 25 (4) all funds created or re-created by House Bill No. 3
- 26 or similar legislation.
- 27 SECTION 13. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE.

- 1 Effective September 1, 2005, Subsections (b), (d), and (e), Section
- 2 403.095, Government Code, are amended to read as follows:
- 3 (b) Notwithstanding any law dedicating or setting aside
- 4 revenue for a particular purpose or entity, dedicated revenues
- 5 that, on August 31, 2007 [2005], are estimated to exceed the amount
- 6 appropriated by the General Appropriations Act or other laws
- 7 enacted by the <u>79th</u> [78th] Legislature are available for general
- 8 governmental purposes and are considered available for the purpose
- 9 of certification under Section 403.121.
- 10 (d) Following certification of the General Appropriations
- 11 Act and other appropriations measures enacted by the 79th [78th]
- 12 Legislature, the comptroller shall reduce each dedicated account as
- directed by the legislature by an amount that may not exceed the
- 14 amount by which estimated revenues and unobligated balances exceed
- 15 appropriations. The reductions may be made in the amounts and at
- 16 the times necessary for cash flow considerations to allow all the
- 17 dedicated accounts to maintain adequate cash balances to transact
- 18 routine business. The legislature may authorize, in the General
- 19 Appropriations Act, the temporary delay of the excess balance
- 20 reduction required under this subsection. This subsection does not
- 21 apply to revenues or balances in:
- 22 (1) funds outside the treasury;
- 23 (2) trust funds, which for purposes of this section
- include funds that may or are required to be used in whole or in part
- 25 for the acquisition, development, construction, or maintenance of
- 26 state and local government infrastructures, recreational
- 27 facilities, or natural resource conservation facilities;

- 1 (3) funds created by the constitution or a court; or
- 2 (4) funds for which separate accounting is required by
- 3 federal law.
- 4 (e) This section expires on September 1, 2007 [$\frac{2005}{2}$].
- 5 SECTION 14. LICENSE PLATE FEES. Any dedication of revenue
- 6 that consists of fees collected from the sale of motor vehicle
- 7 license plates that are authorized by an Act of the 79th
- 8 Legislature, Regular Session, 2005, that becomes law is exempt from
- 9 Section 2 of this Act, and any fund or account created or re-created
- in connection with that revenue by operation of the Act authorizing
- 11 the license plates is exempt from Section 2 of this Act.
- 12 SECTION 15. EFFECT OF ACT. (a) This Act prevails over any
- 13 other Act of the 79th Legislature, Regular Session, 2005,
- 14 regardless of the relative dates of enactment, that purports to
- 15 create or re-create a special fund or account in the state treasury
- 16 or to dedicate or rededicate revenue to a particular purpose,
- including any fund, account, or revenue dedication abolished under
- 18 former Section 403.094, Government Code.
- 19 (b) Revenues that, under the terms of another Act of the
- 20 79th Legislature, Regular Session, 2005, would be deposited to the
- 21 credit of a special account or fund shall be deposited to the credit
- of the undedicated portion of the general revenue fund unless the
- 23 fund, account, or dedication is exempted under this Act.
- 24 SECTION 16. EFFECTIVE DATE. This Act takes effect
- 25 immediately if it receives a vote of two-thirds of all the members
- 26 elected to each house, as provided by Section 39, Article III, Texas
- 27 Constitution. If this Act does not receive the vote necessary for

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- 1 immediate effect, this Act takes effect on the 91st day after the
- 2 last day of the legislative session.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1605 passed the Senate on May 16, 2005, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendments on May 29, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1605 passed the House, with amendments, on May 23, 2005, by the following vote: Yeas 142, Nays O, three present not voting.

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Approved:

Date

Governor