

## BILL ANALYSIS

Senate Research Center

H.B. 3107  
By: Isett (Ogden)  
Finance  
5/18/2007  
Engrossed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Historically, dedications of revenue for particular purposes have limited the legislature's flexibility in appropriating funds based on budgetary need and in utilizing the balances for other governmental purposes.

H.B. 3107 provides regulations for the creation and recreation of funds and accounts in the state treasury, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. DEFINITIONS. Defines "state agency."

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. Provides that all funds and accounts created or re-created in the state treasury by an Act of the 80th Legislature, Regular Session 2007, that becomes law and all dedications or rededications of revenue in the state treasury or otherwise collected by a state agency for a particular purpose by an Act of the 80th Legislature, Regular Session, 2007, that becomes law are abolished on the later of August 27, 2007 or the date the Act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect, except as otherwise specifically provided by this Act.

SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND ACCOUNTS. Sets forth certain funds or accounts and increases in fees or in other revenue to which Section 2 of this Act does not apply.

SECTION 4. ACCOUNTS IN GENERAL REVENUE FUND. Sets forth certain accounts and the revenue deposited to the credit of the accounts, that are exempt from Section 2 of this Act and are created in the general revenue fund, effective on the later of August 27, 2007, or the date the Act creating or re-creating the account takes effect, if created or re-created by an Act of the 80th Legislature, Regular Session, 2007, that becomes law.

SECTION 5. FUNDS TO BECOME ACCOUNTS. Provides that the tax holiday fund under House Bill No. 260 or similar legislation (fund) is re-created as an account in the general revenue fund, effective on the later of August 27, 2007, or the date the Act creating or re-creating the fund takes effect and to the extent allowed by the Texas Constitution. Provides that the fund and the revenue deposited to the credit of the fund are exempt from Section 2 of this Act, if created or re-created by an Act of, or constitutional amendment proposed by, the 80th Legislature, Regular Session, 2007, that becomes law or is approved by the voters.

SECTION 6. REVENUE DEDICATION. Provides that all dedications or rededications to the state highway fund and to the Texas rail relocation and improvement fund made by House Bill No. 683 or similar legislation, are exempt from Section 2 of this Act, effective on the later date of August 27, 2007, or the date the Act dedicating or rededicating the revenue takes effect, if dedicated or rededicated by an Act of the 80th Legislature, Regular Session, 2007, that becomes law.

SECTION 7. FEDERAL FUNDS. Provides that Section 2 of the Act does not apply to funds created pursuant to an Act of the 80th Legislature, Regular Session, 2007, for which separate accounting is required by federal law, except that the funds are required to be deposited in accounts in the general revenue fund unless otherwise required by federal law.

SECTION 8. TRUST FUNDS. Provides that Section 2 of this Act does not apply to trust funds or dedicated revenue deposited to trust funds created under an Act of the 80th Legislature, Regular Session, 2007, except that the trust funds are required to be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 9. BOND FUNDS. Provides that Section 2 of this Act does not apply to bond funds and pledged funds created or affected by an Act of the 80th Legislature, Regular Session, 2007, except that the funds are required to be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 10. CONSTITUTIONAL FUNDS. Provides that Section 2 of this Act does not apply to funds or accounts that would be created or re-created by the Texas Constitution or revenue that would be dedicated or rededicated by the Texas Constitution under a constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, or to dedicated revenue deposited to funds or accounts that would be so created or re-created, if the constitutional amendment is approved by the voters.

SECTION 11. SEPARATE FUNDS IN THE TREASURY. Provides that the campaign financing fund created by Senate Bill No. 921 or similar legislation and the revenue deposited to the credit of that fund is exempt from Section 2 of this Act and is created as a separate fund in the state treasury, if created by an Act of the 80th Legislature, Regular Session, 2007.

SECTION 12. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. Amends Sections 403.095(b), (d), and (e), Government Code, effective September 1, 2007, as follows:

(b) Provides that dedicated revenues that, on August 31, 2009, rather than 2007, are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 80th, rather than 79th, Legislature are available for general governmental purposes and are considered available for the purpose or certification under Section 403.121 (Acceptance of Federal Money), Government Code, notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity.

(d) Requires the comptroller to reduce each dedicated account as directed by the legislature in an amount that is prohibited from exceeding the amount by which estimated revenues and unobligated balances exceed appropriations, following certification of the General Appropriations Act and other appropriations measures enacted by the 80th, rather than 79th, Legislature.

(e) Provides that this section expires on September 1, 2009, rather than September 1, 2007.

SECTION 13. REPORT ON FUNDS OR ACCOUNTS. (a) Sets forth certain information that is required to be included in a report the comptroller must publish after certification of the General Appropriations Act for the 2008-2009 biennium.

(b) Requires the comptroller to publish the report required by Subsection (a) in the Texas Register and on the Internet.

SECTION 14. EFFECT OF ACT. Provides that this Act prevails over any other Act of the 80th Legislature, Regular Session, 2007, regardless of the relative dates of enactment, that purports to create or re-create a special fund or account in the state treasury or to dedicate or rededicate revenue to a particular purpose, including any fund, account, or revenue dedication abolished under former Section 403.094, Government Code.

(b) Requires that revenues that under the terms of another Act of the 80th Legislature, Regular Session, 2007, would be deposited to the credit of a special account or fund be deposited to the credit of the undedicated portion of the general revenue fund unless the fund, account, or dedication is exempted under this Act.

SECTION 15. EFFECTIVE DATE. Effective date: upon passage or on the 91st day after the last day of the legislative session.