

BILL ANALYSIS

H.B. 3107
By: Isett, Carl
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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. The 72nd Legislature enacted provisions relating to the consolidation of funds in existence before August 31, 1993. These provisions provided for the abolishment of dedications in existence prior to August 31, 1995, unless otherwise expressly exempted. House Bill 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

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. DEFINITION. Defines "state agency."

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. Provides that, except as otherwise specifically provided by this Act, 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.

SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND ACCOUNTS. Provides that Section 2 of this Act does not apply to statutory dedications, funds, and accounts that were enacted before the 80th Legislature convened to comply with requirements of state constitutional or federal law; dedications, funds, or accounts that remained exempt from former Section 403.094(h), Government Code, at the time dedications, accounts, and funds were abolished under that provision; increases in fees or in other revenue dedicated as described by this section; or increases in fees or in other revenue required to be deposited in a fund or account described by this section.

SECTION 4. ACCOUNTS IN GENERAL REVENUE FUND. Provides that, effective on the later of August 27, 2007, or the date the Act creating or re-creating the account take effect, the indigent health care support account created by House Bill 29 or similar legislation and the border security account and any other account created or re-created by Senate Bill 268 or similar legislation and the revenue deposited to the credit of the accounts are exempt from Section 2 of this Act and are created in the general revenue fund, 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, effective on the later of August 27, 2007, or the date the Act creating or re-creating the fund takes effect, the tax holiday fund under House Bill 260 or similar legislation in the state treasury or fund otherwise with the comptroller of public accounts (comptroller) is re-created as an account in the general revenue fund, to the extent allowed by the Texas Constitution, and the account and the revenue deposited to the credit of the account 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, as applicable.

SECTION 6. REVENUE DEDICATION. Provides that, effective on the later of August 27, 2007, or the date the Act dedicating or rededicating the revenue takes effect, all dedications or rededications to the state highway fund and all dedications or rededications to the Texas rail relocation and improvement fund made by House Bill 683 or similar legislation collected by a state agency for a particular purpose are exempt from Section 2 of this Act, 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 this 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, effective September 1, 2007, the campaign financing fund, in the state treasury, created by Senate Bill 921 or similar legislation and revenue deposited to the credit of the 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, that becomes law.

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, notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, 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 of certification under Section 403.121.

(d) Makes a conforming change.

(e) Makes a conforming change.

SECTION 13. EFFECT OF ACT. (a) 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 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, to 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 14. EFFECTIVE DATE.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect on the 91st day after adjournment.