

By: Callegari

H.J.R. No. 34

A JOINT RESOLUTION

1 proposing a constitutional amendment concerning the limitation on
2 the rate of growth of state appropriations and the use of
3 unencumbered surplus state revenues to finance a state sales tax
4 holiday.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 22, Article VIII, Texas Constitution, is
7 amended to read as follows:

8 Sec. 22. (a) In no biennium shall the rate of growth of
9 appropriations from all sources of revenue other than the federal
10 government [~~state tax revenues not dedicated by this constitution~~]
11 exceed a rate equal to the sum of the estimated rates [~~rate~~] of
12 increase or decrease, during the biennium preceding the biennium
13 for which the appropriations are made, [growth] of:

14 (1) the state's population; and

15 (2) inflation or deflation in this state in the prices
16 of goods.

17 (b) The rates described by Subsection (a) of this section
18 shall be estimated in the manner provided by general law [~~economy~~].
19 If the sum of those estimated rates is a negative number,
20 appropriations for the biennium from all sources of revenue other
21 than the federal government must decrease by a rate at least equal
22 to the sum of those estimated rates.

23 (c) In this section, the rate of change of appropriations
24 from all sources of revenue other than the federal government is the

1 percentage difference between:

2 (1) the amount of money appropriated for the current
3 biennium from those sources as estimated in the manner prescribed
4 by law at or near the time the legislature convenes in regular
5 session during the current biennium; and

6 (2) the amount of money appropriated for the next
7 biennium from those sources as finally estimated by the comptroller
8 at the times the Acts making appropriations are considered by the
9 comptroller under Article III, Section 49a, of this constitution.

10 (d) The legislature shall provide by general law procedures
11 to implement Subsections (a), (b), and (c) of this section
12 [subsection].

13 (e) [~~(b)~~] If the legislature by adoption of a resolution
14 approved by a record vote of two-thirds [~~a majority~~] of the members
15 of each house finds that an emergency exists and identifies the
16 nature of the emergency, the legislature may provide for
17 appropriations in excess of the amount authorized by Subsection (a)
18 of this section. The excess authorized under this subsection may
19 not exceed the amount specified in the resolution.

20 (f) [~~(c)~~] In no case shall appropriations exceed revenues as
21 provided in Article III, Section 49a, of this constitution.
22 Nothing in this section shall be construed to alter, amend, or
23 repeal Article III, Section 49a, of this constitution.

24 SECTION 2. Section 49a, Article III, Texas Constitution, is
25 amended by adding Subsections (c) and (d) to read as follows:

26 (c) A bill containing an appropriation may not be considered
27 as passed and may not be sent to the Governor for consideration

1 until the Comptroller of Public Accounts endorses on the bill the
2 comptroller's certificate showing that the amount appropriated
3 does not exceed the limitation on the rate of growth of
4 appropriations imposed by Section 22, Article VIII, of this
5 constitution.

6 (d) When the Comptroller of Public Accounts finds that a
7 bill containing an appropriation exceeds the limitation on the rate
8 of growth of appropriations imposed by Section 22, Article VIII, of
9 this constitution, the comptroller shall endorse that finding on
10 the bill, return the bill to the House in which it originated, and
11 immediately notify the House of Representatives and the Senate of
12 the finding.

13 SECTION 3. Subsection (b), Section 49-g, Article III, Texas
14 Constitution, is amended to read as follows:

15 (b) The comptroller shall, not later than the 90th day of
16 each biennium, transfer to the economic stabilization fund one-half
17 of any unencumbered positive balance of general revenues on the
18 last day of the preceding biennium. If necessary, the comptroller
19 shall reduce the amount transferred in proportion to the other
20 amounts prescribed by this section to prevent the amount in the fund
21 from exceeding the limit in effect for that biennium under
22 Subsection (g) of this section. For purposes of this subsection,
23 general revenues are considered encumbered on the last day of a
24 biennium only to the extent that general revenues are subject to
25 payment for particular identifiable and legally enforceable
26 obligations of this state that were incurred on or before that day
27 and intended to be paid out of appropriations for that biennium.

1 SECTION 4. Article III, Texas Constitution, is amended by
2 adding Section 49-g-1 to read as follows:

3 Sec. 49-g-1. (a) The tax holiday fund is a special fund in
4 the state treasury. Money in the tax holiday fund is not subject to
5 appropriation but may be transferred to the general revenue fund of
6 the state treasury as provided by this section. Interest on money
7 in the tax holiday fund is credited to the tax holiday fund.

8 (b) Not later than the 90th day of each biennium, the
9 comptroller shall transfer to the tax holiday fund the unencumbered
10 positive balance of general revenues on the last day of the
11 preceding biennium that remains after the transfer of revenues to
12 the economic stabilization fund under Subsection (b), Section 49-g,
13 Article III, of this constitution. For purposes of this
14 subsection, general revenues are considered encumbered on the last
15 day of a biennium only to the extent that general revenues are
16 subject to payment for particular identifiable and legally
17 enforceable obligations of this state that were incurred on or
18 before that day and intended to be paid out of appropriations for
19 that biennium.

20 (c) The legislature by general law shall provide a procedure
21 under which a legislative agency, an executive agency, or the
22 governor shall declare a tax holiday period during which sales
23 taxes will not be collected on transactions specified by the
24 legislature on which a sales tax is otherwise imposed.

25 (d) The general law must provide that the comptroller,
26 during the same state fiscal year in which a tax holiday is declared
27 under that law, shall transfer to the general revenue fund out of

1 the tax holiday fund an amount equal to the estimated amount of
2 state sales taxes that would have been collected during the tax
3 holiday period but for the declaration of the holiday period. The
4 general law must prescribe procedures to ensure that a declared tax
5 holiday period will not result in a decrease in estimated state
6 sales tax revenues by an amount that exceeds 90 percent of the
7 balance of the tax holiday fund.

8 (e) The general law must specify the transactions to which a
9 declared tax holiday may apply.

10 SECTION 5. This proposed constitutional amendment shall be
11 submitted to the voters at an election to be held November 4, 2008.
12 The ballot shall be printed to permit voting for or against the
13 proposition: "The constitutional amendment regarding the
14 limitation on the rate of growth in appropriations and the use of
15 unencumbered surplus state revenues to finance a state sales tax
16 holiday."