

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3107 by Isett, Carl (Relating to the creation and re-creation 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.), **As Engrossed**

The fiscal impact of provisions relating to the abolition of funds, accounts and revenue dedications would depend on other actions of the legislature.

The bill would abolish all funds, accounts, and revenue dedications created or recreated by the 80th Legislature, Regular Session, unless specifically exempted under separate sections of this bill.

Any funds, accounts, or revenue dedications abolished under this bill would be deposited to the credit of the unobligated portion of the General Revenue Fund 0001.

The bill would define the state agencies to which this act would apply; and it would provide for the blanket abolition of new funds, accounts, and revenue dedications, unless they were specifically exempted in the bill.

The bill would exempt dedications, funds, and accounts that were enacted before the 80th Legislature convened to comply with the State Constitution or federal requirements, or that remained exempt from the abolishment and removal of dedication provisions of the former Section 403.094(h) of the Government Code and increases in existing fees that were previously dedicated or required to be deposited in a fund or account exempted prior to the 80th Legislature, Regular Session.

The following funds, accounts, and dedications of revenue would be exempt from abolition by this bill, if created or re-created by Acts of the 80th Legislature, Regular Session:

- the Homefront Heroes Account
- the Indigent Health Care Support Account
- the Border Security Account and any other account created or re-created by SB 268 or similar legislation
- the Tax Holiday Fund
- all dedications or rededications to the State Highway Fund 0006
- all dedications or rededications to the Texas Rail Relocation and Improvement Fund 0306
- the Campaign Financing Fund

Federal funds, created by the 80th Legislature, Regular Session, for which separate accounting is required by federal law, would be exempt. These funds would be deposited into accounts within Fund 0001, unless otherwise required by federal law.

The bill would exempt all trust funds and bond funds created by the 80th Legislature, Regular Session, except that all trust funds would have to be held in the State Treasury, with the Comptroller in trust, or outside the State Treasury with the Comptroller's approval.

The bill would exempt funds or accounts created or re-created or revenue dedicated or rededicated under a constitutional amendment proposed by an act of the 80th Legislature, Regular Session if approved by the voters.

The bill would amend Sections 403.095(b), (d), and (e) of the Government Code to allow the Comptroller to make reductions in dedicated accounts in the amounts by which estimated revenues and unobligated balances exceeded appropriations on August 31, 2009. Funds outside of the State Treasury, trust funds, funds created by the State Constitution or a court, and funds for which separate accounting was required by federal law would be exempt from this section. These provisions would expire September 1, 2009.

The bill would require the Comptroller, after the certification of the General Appropriations Act, to publish in the Texas Register and on the Internet, a report listing each dedicated fund or account, the amount appropriated from each fund or account for the biennium, and the estimated balance in each fund or account that remained unappropriated.

The provisions of this bill would prevail over any other act of the 80th Legislature, Regular Session—regardless of the date of enactment—purporting to dedicate or rededicate a fund, account, or revenue in the State Treasury.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2007.

The funds, accounts, and revenue dedications that would be abolished and become part of Fund 0001 cannot be determined at this time. Any net gain or loss from the re-creation of existing funds or accounts as exempted in this bill that are dependent upon the passage of another act of the 80th Legislature Regular Session, are dependent upon appropriations made in the 2008-09 General Appropriations Act and cannot be estimated at this time.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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