

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 25, 2007

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

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 Passed 2nd House**

The funds, accounts, and revenue dedications that would be abolished and become part of the General Revenue 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.

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 the bill.

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

The bill 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: 1) that were enacted before the 80th Legislature convened; 2) to comply with the State Constitution or federal requirements; and 3) that remained exempt from the abolishment and removal of dedication provisions of the former Section 403.094(h) of the Government Code. It also would exempt increases in existing fees that were previously dedicated or required to be deposited in a fund or account exempted before the 80th Legislature, Regular Session.

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

- GR Account—Transportation Reinvestment created by SB 1266, HB 3722, or similar legislation
- GR Account—Cancer Prevention and Research created by HB 14 or similar legislation
- GR Account—Nursing Home Quality Assurance Fee created by HB 3778 or similar legislation
- all dedications or rededications of revenue to the State Highway Fund 0006
- all dedications or rededications of revenue collected by the Texas Parks and Wildlife Department
- all dedications or rededications of revenue to the GR Account 0036—Texas Department of Insurance Operating
- all dedications or rededications of revenue made by HB 3168, HB 1673, or similar legislation

- all dedications or rededications to GR Account 0019—Vital Statistics made by SB 47, HB 1377, or similar legislation
- GR Account—Regional Trauma and all revenues to the account created by SB 125 or similar legislation
- all dedications or rededications of fee revenue created by HB 481 or similar legislation
- GR Account—Premium Payment Assistance and all revenues to the account created by HB 1751 or similar legislation
- GR Account—Texas Health Opportunity Pool created by SB 10 or similar legislation
- all dedications or rededications to GR Account 5010—Sexual Assault Program
- GR Account—Fire Prevention and Public Safety and all revenues to the account created by HB 2935 or similar legislation

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 and bond 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 the following trust funds if created by the 80th Legislature, Regular Session, to be held outside the State Treasury, regardless of the Comptroller's approval:

- Texas Tomorrow Fund II Prepaid Tuition Unit Undergraduate Education Program Fund created by HB 3900 or similar legislation
- Texas Health Opportunity Pool Trust Fund created by SB 10 or similar legislation

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 is required by federal law would be exempt. These provisions would expire September 1, 2009.

Contingent on SB 1562 or similar legislation, the bill would exempt a fee collected by the Department of State Health Services to cover the cost of arranging and conducting an animal control course. Such fees could only be appropriated to the Department of State Health Services for the purpose of paying the costs of arranging and conducting the course.

The bill would exempt the Supreme Court Support Account in the Judicial Fund 0573 and related dedications of revenue to the account created by SB 1182 or similar legislation.

The bill would exempt any fund, account, or dedication of revenue of the Texas Windstorm Insurance Association created or re-created by HB 2960 by the 80th Legislature, Regular Session, or to which HB 2960 refers, including:

- the Catastrophe Reserve Trust Fund created under Subchapter J, Chapter 2210, Insurance Code

- the dedicated trust fund created under Section 2210.607, Insurance Code, as added by HB 2960
- all premium surcharges collected by the Texas Windstorm Insurance Association under Section 2210.058, Insurance Code, as amended by HB 2960.

The bill would create the Fund for Veterans' Assistance as a special fund in the State Treasury outside the General Revenue Fund 0001. Money in the fund could only be appropriated to the Texas Veterans Commission to enhance or improve veterans' assistance programs, including veterans' representation and counseling and to make grants to local communities to address veterans' needs.

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.

The 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.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, SD