

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 2, 2007

TO: Honorable Warren Chisum, Chair, House Committee on Appropriations

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 Introduced**

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 by the Eightieth 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.

The bill would exempt dedications, funds, and accounts that were enacted before the Eightieth 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 Eightieth Legislature, Regular Session.

The bill would exempt trust funds, bond funds, funds required by federal law, and constitutional funds created by the Eightieth Legislature, Regular Session from abolition. However, the bill would require that all trust funds and bond funds created by the 80th Legislature, Regular Session, 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 accounts in the General Revenue Fund, if the accounts were created or recreated by an act of the Eightieth Legislature, Regular Session:

- Indigent Health Care Support Account (created by House Bill 29 or similar legislation)
- Border Security Account and any other account created or re-created by Senate Bill 268 or similar legislation

The bill would exempt the Tax Holiday Fund (under House Bill 260 or similar legislation) as an account in the General Revenue Fund, if the fund was created or recreated by an act of the Eightieth Legislature, Regular Session.

The bill would exempt the following dedications of revenue, if the revenues were dedicated or rededicated by an act of the Eightieth Legislature, Regular Session:

- All dedications or rededications to the State Highway Fund
- All dedications or rededications to the Texas Rail Relocation and Improvement Fund (made by House Bill 683 or similar legislation)

The bill would exempt the Campaign Financing Fund (created by Senate Bill 921 or similar legislation) as a separate fund in the State Treasury, if the fund was created or recreated by an act of the Eightieth Legislature, Regular Session.

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. The bill would exempt 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 from this section. These provisions would expire September 1, 2009.

The provisions of the bill would prevail over any other act of the Eightieth 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 on the 91st day after the last day of the Legislative Session.

The funds, accounts, and revenue dedications that would be abolished and become part of the General Revenue Fund cannot be determined at this time. Any net gain or loss from the re-creation of existing funds or accounts as exempted in the bill that are dependent upon the passage of another act of the Eightieth 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 significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, SD, EB