1-1 By: Pitts (Senate Sponsor - Ogden)
1-2 (In the Senate - Received from the House May 18, 2009;
1-3 May 19, 2009, read first time and referred to Committee on Finance;
1-4 May 23, 2009, reported favorably by the following vote: Yeas 13,
1-5 Nays 0; May 23, 2009, sent to printer.)

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A BILL TO BE ENTITLED
AN ACT

1-8 relating to the creation and re-creation of funds and accounts in 1-9 the state treasury, the dedication and rededication of revenue, and 1-10 the exemption of unappropriated money from use for general 1-11 governmental purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. DEFINITION. In any provision of this Act that does not amend current law, "state agency" means an office, institution, or other agency that is in the executive branch of state government, has authority that is not limited to a geographical portion of the state, and was created by the constitution or a statute of this state. The term does not include an institution of higher education as defined by Section 61.003, Education Code.

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. 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 81st Legislature, Regular Session, 2009, 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 81st Legislature, Regular Session, 2009, that becomes law are abolished on the later of August 31, 2009, or the date the Act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect.

dedicating or rededicating revenue takes effect.

SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND ACCOUNTS. Section 2 of this Act does not apply to:

- (1) statutory dedications, funds, and accounts that were enacted before the 81st Legislature convened to comply with requirements of state constitutional or federal law;
- (2) 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;
- (3) increases in fees or in other revenue dedicated as described by this section; or
- (4) 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. Effective on the later of August 31, 2009, or the date the Act creating or re-creating the account takes effect, the following accounts 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 81st Legislature, Regular Session, 2009, that becomes law:

- (1) the honesty-in-premium account created in the general revenue fund by House Bill No. 2750, Senate Bill No. 1257, or similar legislation;
- (2) the renewing our communities account created by
- House Bill No. 492 or similar legislation;
 (3) the account for conservation of marine resources created by House Bill No. 1749, Senate Bill No. 735, or similar legislation;
- 1-59 (4) the pretrial victim-offender mediation program 1-60 account created in the general revenue fund by House Bill No. 2139 1-61 or similar legislation;
- 1-62 (5) the fuel ethanol, renewable methane, and biodiesel 1-63 production account created in the general revenue fund by House 1-64 Bill No. 2318 or similar legislation;

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- (7) the Texas nursery and floral account created by House Bill No. 3496 or similar legislation;
- (8) the dedicated account for purchasing and distributing child passenger safety seat systems to low-income families created by House Bill No. 528, Senate Bill No. 61, or similar legislation;
- (9) the trafficking of persons investigation and prosecution account created in the general revenue fund by House Bill No. 639, Senate Bill No. 89, or similar legislation;
 (10) the Texas Rural Development Fund account created
- (10) the Texas Rural Development Fund account created in the general revenue fund by House Bill No. 1715, Senate Bill No. 684, or similar legislation;
- (11) the mathematics and science teacher investment fund account created in the general revenue fund by House Bill No. 2773, Senate Bill No. 816, or similar legislation;
- (12) the Texas Rural Investment Fund account created in the general revenue fund by House Bill No. 1911, House Bill No. 3236, Senate Bill No. 1016, Senate Bill No. 1988, or similar legislation;
- (13) the hospital district airline fares account created in the general revenue fund by House Bill No. 2899, Senate Bill No. 1264, or similar legislation; and
- (14) the commission advanced clean energy project account created in the general revenue fund by House Bill No. 2811, Senate Bill No. 2111, or similar legislation.
- SECTION 5. REVENUE DEDICATION. Effective on the later of August 31, 2009, or the date the Act dedicating or rededicating the revenue takes effect, the following dedication or rededication of revenue collected by a state agency for a particular purpose is exempt from Section 2 of this Act, if dedicated or rededicated by an Act of the 81st Legislature, Regular Session, 2009, that becomes law:
- (1) all dedications or rededications of revenue to the Texas Department of Insurance operating account;
- (2) the dedication of assessments and penalties by House Bill No. 77, Senate Bill No. 638, or similar legislation;
- (3) the dedication of tax revenue by House Bill No. 982, Senate Bill No. 2187, or similar legislation; (4) the dedication of fee revenue by House Bill No.
- (4) the dedication of fee revenue by House Bill No. 1286, Senate Bill No. 924, or similar legislation;
- (5) the dedication of fee revenue by House Bill No. 1965 or similar legislation;
- (6) the dedication of revenue by House Bill No. 2259, Senate Bill No. 1378, or similar legislation;
- (7) the dedication of revenue by House Bill No. 2389 or similar legislation;
- (8) the dedication of fee revenue by House Bill No. 4064 or similar legislation;
- (9) the dedication of revenue by House Bill No. 4110, Senate Bill No. 2208, or similar legislation;
- (10) the dedication of revenue by House Bill No. 1834, Senate Bill No. 161, or similar legislation;
- (11) the dedication of fee revenue by House Bill No. 1406, Senate Bill No. 862, or similar legislation;
- (12) the dedication of fee revenue by House Bill No. 2203, Senate Bill No. 1007, or similar legislation;
- (13) the dedication of proceeds by House Bill No. 4427, Senate Bill No. 1774, or similar legislation;
- 2-60 4427, Senate Bill No. 1774, or similar legislation; 2-61 (14) the dedication of certain penalty proceeds by 2-62 House Bill No. 2517, Senate Bill No. 2279, or similar legislation; 2-63 and
- 2-64 (15) the dedication of revenue by House Bill No. 2774 2-65 or similar legislation.
- 2-66 SECTION 6. FEDERAL FUNDS. Section 2 of this Act does not 2-67 apply to funds created pursuant to an Act of the 81st Legislature, 2-68 Regular Session, 2009, for which separate accounting is required by 2-69 federal law, except that the funds shall be deposited in accounts in

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the general revenue fund unless otherwise required by federal law.

SECTION 7. TRUST FUNDS. (a) Section 2 of this Act does not apply to trust funds or dedicated revenue deposited to trust funds created under an Act of the 81st Legislature, Regular Session, 2009, except that the trust funds shall be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

(b) Section 2 of this Act does not apply to:

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(1) the state-licensed residential mortgage loan originator recovery fund created by House Bill No. 10 or similar legislation, or to dedicated revenue deposited to that fund;

- (2) the anthropogenic carbon dioxide storage trust fund created as a special fund in the state treasury by House Bill No. 2669, Senate Bill No. 1387, or similar legislation, or to dedicated revenue deposited to that fund;
- (3) the scholarship trust fund for fifth-year accounting students created by House Bill No. 2440, Senate Bill No. 1412, or similar legislation, or to dedicated revenue deposited to that fund; or
- (4) the unauthorized insurance guaranty fund created by House Bill No. 4339 or similar legislation, to the fund account established for the deposit of money held by the fund, or to dedicated revenue deposited to that fund or fund account.

SECTION 8. BOND FUNDS. Section 2 of this Act does not apply to bond funds and pledged funds created or affected by an Act of the 81st Legislature, Regular Session, 2009, except that the funds shall be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 9. CONSTITUTIONAL FUNDS. (a) 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 81st Legislature, Regular Session, 2009, 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.

(b) Section 2 of this Act does not apply to the national research university fund or any revenue transferred or deposited to or dedicated to that fund under House Bill No. 51, House Bill No. 4453, Senate Bill No. 1560, or similar legislation that becomes law.

SECTION 10. SEPARATE FUNDS IN THE TREASURY. Effective September 1, 2009, the following fund in the state treasury and the 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 81st Legislature, Regular Session, 2009, that becomes law:

(1) FLOODPLAIN MANAGEMENT fund created by House Bill No. 2536 or similar legislation.

SECTION 11. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. Effective September 1, 2009, Sections 403.095(b), (d), and (e), Government Code, are amended to read as follows:

- (b) Notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues that, on August 31, $\underline{2011}$ [$\underline{2009}$], are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the $\underline{81st}$ [$\underline{80th}$] Legislature are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121.
- (d) Following certification of the General Appropriations Act and other appropriations measures enacted by the <u>81st</u> [80th] Legislature, the comptroller shall reduce each dedicated account as directed by the legislature by an amount that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations. The reductions may be made in the amounts and at the times necessary for cash flow considerations to allow all the dedicated accounts to maintain adequate cash balances to transact routine business. The legislature may authorize, in the General Appropriations Act, the temporary delay of the excess balance

reduction required under this subsection. This subsection does not 4-1 apply to revenues or balances in: 4-2

(1)funds outside the treasury;

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- trust funds, which for purposes of this section (2) include funds that may or are required to be used in whole or in part for the acquisition, development, construction, or maintenance of state and local government infrastructures, recreational facilities, or natural resource conservation facilities;
 - (3) funds created by the constitution or a court; or
- (4)funds for which separate accounting is required by federal law.

(e) This section expires on September 1, $\underline{2011}$ [$\underline{2009}$]. SECTION 12. CERTAIN REVENUES DEDICATED TO COMPENSATION TO VICTIMS OF CRIME FUND. (a) Section 495.025(c), Government Code, as added by Section 1, Chapter 100 (S.B. 1580), Acts of the 80th Legislature, Regular Session, 2007, is reenacted to read as follows:

- (C) The department shall transfer 50 percent commissions paid to the department by a vendor under this section to the compensation to victims of crime fund established by Subchapter B, Chapter 56, Code of Criminal Procedure, and the other 50 percent to the credit of the undedicated portion of the general revenue fund, except that the department shall transfer the first \$10 million of the commissions collected in any given year under a contract awarded under this section to the compensation to victims of crime fund established by Subchapter B, Chapter 56, Code of Criminal Procedure. This section does not reduce any appropriation to the department.
- (b) Revenue dedicated to the compensation to victims of crime fund by Section 495.025(c), Government Code, as added by Section 1, Chapter 100 (S.B. 1580), Acts of the 80th Legislature, Regular Session, 2007, is rededicated to that fund by this section and that rededication is exempt from Section 2 of this Act.

SECTION 13. SPECIAL FUND FOR SPECIAL RANGERS. Section 2 of this Act does not apply to the special fund established for special rangers under House Bill No. 2062, Senate Bill No. 1683, or similar legislation of the 81st Legislature, Regular Session, 2009, that becomes law, or to proceeds transferred to the fund.

SECTION 14. CHRIS KYKER ENDOWMENT FOR SENIORS FUND. Section 2 of this Act does not apply to the Chris Kyker Endowment for Seniors Fund created as a special fund outside the state treasury by House Bill No. 610, Senate Bill No. 1230, or similar legislation of the 81st Legislature, Regular Session, 2009, that becomes law, or to revenue deposited to the fund.

SECTION 15. HEALTHY TEXAS SMALL EMPLOYER PREMIUM STABILIZATION FUND. Sections 2 and 7 of this Act do not apply to the healthy Texas small employer premium stabilization fund created by Senate Bill No. 6 or similar legislation, or to dedicated revenue deposited to that account.

SECTION 16. AMERICAN RECOVERY AND REINVESTMENT ACT FUND. Section 2 of this Act does not apply to the American Recovery and Reinvestment Act fund created by Subsection (b) of this section, or to revenue deposited to the fund.

(b) Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0122 to read as follows:

Sec. 403.0122. DEPOSIT OF AMERICAN RECOVERY AND REINVESTMENT ACT MONEY. (a) In this section:

(1) "Fund" Rec<u>overy</u> means the American and Reinvestment Act fund.

- "Recovery act" means the federal American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5).
- (b) The American Recovery and Reinvestment Act fund created as a special fund in the state treasury outside the general revenue fund.
- (c) Notwithstanding any other law of this state and except as otherwise provided by federal law, state agencies that receive money under the recovery act shall deposit the money to the credit of the fund as the comptroller determines is necessary to hold and account for money received under the recovery act.

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(d) Other money may be deposited to the credit of the fund as appropriated by the legislature, as required by federal law, or as necessary to account for money related to the recovery act. Money deposited to the credit of the fund may only be used for the purposes identified in the recovery act to stimulate the economy, including aid for unemployment, welfare, education, health, and infrastructure.

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- (e) Agencies shall transfer amounts between the fund and other accounts and funds in the treasury as necessary to properly account for money received under the recovery act as directed by the comptroller. This section does not affect the authority of the comptroller to establish and use accounts necessary to manage and account for revenues and expenditures.
- (f) Interest earned on money deposited to the credit of the fund is exempt from Section 404.071. Interest earned on money in the fund shall be retained in the fund.
- (g) The comptroller may issue guidelines for state agencies regarding the implementation of this section.

 SECTION 17. DESIGNATED TRAUMA FACILITY AND EMS ACCOUNT.
- SECTION 17. DESIGNATED TRAUMA FACILITY AND EMS ACCOUNT. Section 2 of this Act does not apply to general revenue account no. 5111 established in the general revenue fund, the fund for emergency medical services, trauma facilities, and trauma care systems.

SECTION 18. SYSTEM BENEFIT FUND. Section 2 of this Act does not apply to general revenue account no. 5100, the system benefit fund account.

SECTION 19. LARGE COUNTY AND MUNICIPALITY RECREATION AND PARKS ACCOUNT. (a) On the effective date of this Act, the large county and municipality recreation and parks account, established by Section 39, Chapter 1159 (H.B. 12), Acts of the 80th Legislature, Regular Session, 2007, is re-created by this section as an account in the general revenue fund.

(b) The large county and municipality recreation and parks account and the revenue deposited to the credit of the account are exempt from Section 2 of this Act.

SECTION 20. HEALTH CARE ACCESS FUND IN THE TREASURY. Effective September 1, 2009, the health care access fund created by House Bill No. 2154, House Bill No. 1876, Senate Bill No. 2527, or similar legislation, and the revenue deposited to the credit of the health care access fund, are exempt from Section 2 of this Act and the health care access fund is created as a separate fund in the state treasury outside the general revenue fund.

SECTION 21. EFFECT OF ACT. (a) This Act prevails over any other Act of the 81st Legislature, Regular Session, 2009, 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) Revenue that, under the terms of another Act of the 81st Legislature, Regular Session, 2009, would be deposited to the credit of a special account or fund shall 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.

fund, account, or dedication is exempted under this Act.

SECTION 22. EFFECTIVE DATE. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.

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