

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 29, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

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

IN RE: HB2830 by Parker (Relating to transferring to the property tax relief fund one-half of any unencumbered balance of general revenue at the end of a state fiscal biennium.), **As Introduced**

Based on the 2010-11 Biennial Revenue Estimate, General Revenue Fund 0001 is not projected to have a positive unencumbered balance for the close of fiscal 2009. Any estimate of positive unencumbered balance at the close of fiscal 2011 would depend upon appropriations made in the 2010-11 General Appropriations Act and cannot be estimated at this time. Future biennial transfers, if any, would depend on appropriations and/or revenue flows that cannot be estimated at this time.

The bill would amend Chapter 403 of the Government Code to require the Comptroller to transfer 50 percent of the previous biennium's unencumbered positive general revenue balance to the Property Tax Relief Fund 0304 by the 90th day of each fiscal biennium. The bill would provide a definition of general revenue encumbrances and would apply beginning with the unencumbered positive general revenue balance on the last day of the fiscal biennium ending August 31, 2009.

In the history of the Economic Stabilization Fund 0599, there have only been two unencumbered general revenue balance transfers. One transfer was made in fiscal 1992. The latest transfer, in fiscal 2008 based on the ending balances for the 2006-07 biennium, was \$1.8 billion. Under the provisions of this resolution, the Property Tax Relief Fund 0304 would have received a transfer of the remaining unencumbered balance, \$1.8 billion—an amount that remained in Fund 0001. Currently, given the state of the economy and the structural imbalance between revenues and anticipated demands for those revenues, there is little likelihood of another unencumbered balance transfer for the foreseeable future.

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Local Government Impact

Based on the 2010-11 Biennial Revenue Estimate, General Revenue Fund 0001 is not projected to have a positive unencumbered balance for the close of fiscal 2009. Any estimate of positive unencumbered balance at the close of fiscal 2011 would depend upon appropriations made in the 2010-11 General Appropriations Act and cannot be estimated at this time. Future biennial transfers, if any, would depend on appropriations and/or revenue flows that cannot be estimated at this time.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, SJS