

BILL ANALYSIS

C.S.H.B. 275
By: Pitts
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Following the state's economic crisis in the mid-1980s, voters adopted a constitutional amendment to create the economic stabilization fund. The fund receives 75 percent of the amount by which oil and natural gas tax collections exceed 1987 collections and one-half of any unencumbered general revenue at the end of each biennium, as well as interest earned on fund balances. At the end of fiscal year 2013, the comptroller of public accounts estimates the balance of the fund will be more than \$9 billion.

The comptroller's biennial revenue estimate for the remainder of fiscal year 2011 and the 2012-2013 fiscal biennium projects a \$4.3 billion negative ending balance in general-revenue-related funds for fiscal years 2010-2011. The Texas Constitution authorizes an appropriation from the economic stabilization fund by a three-fifths vote of the members present in each chamber if a budget deficit develops during a biennium after the budget has been adopted.

C.S.H.B. 275 makes an appropriation from the economic stabilization fund to cover the existing revenue deficit in fiscal years 2010-2011.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 275 appropriates \$3,117,661,120 from the economic stabilization fund to the comptroller of public accounts for the purpose of depositing that amount to the credit of the general revenue fund as money available for use during the state fiscal year ending August 31, 2011, to make expenditures previously authorized by appropriations from general revenue for the state fiscal biennium ending August 31, 2011. The bill makes its provisions subject to certification by the comptroller that appropriations from general revenue made by the preceding legislature for the current biennium exceed available general revenues and cash balances for the remainder of that biennium. The bill makes the appropriation from the economic stabilization fund contingent on the appropriation receiving an affirmative vote of three-fifths of the members present in each house of the legislature as required by the Texas Constitution for such appropriations.

EFFECTIVE DATE

On passage.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 275 appropriates \$3,117,661,120 from the economic stabilization fund to the comptroller of public accounts for the stated purposes, rather than \$4,273,557,000, as in the

original.