

By: Cain

H.B. No. 2952

A BILL TO BE ENTITLED

1 AN ACT
2 relating to municipal, county, and school district and other
3 special district budgets.

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

5 SECTION 1. DEFINITION. (a) In this Act, "local government"
6 means:

- 7 (1) a county;
8 (2) a municipality;
9 (3) a school district or other special district; or
10 (4) any other local government or political
11 subdivision of this state.

12 SECTION 2. LIMIT ON GROWTH OF BUDGET. (a) The governing
13 body of a local government may not adopt a budget that exceeds the
14 revenue adopted in the previous year by the lesser of:

- 15 (1) the growth in this state's gross state product as
16 determined under Section 3 of this Act; or
17 (2) population growth in the local government plus
18 inflation as determined under Sections 4 and 5 of this Act.

19 (b) The local government may exclude money received from the
20 federal government in calculating the revenue.

21 SECTION 3. GROSS STATE PRODUCT. The comptroller shall
22 determine the estimated rate of growth of the Texas gross state
23 product using information provided by the Bureau of Economic
24 Analysis of the United States Department of Commerce or its

1 successor in function and by other sources the comptroller
2 considers reliable.

3 SECTION 4. POPULATION GROWTH. The comptroller shall
4 determine the rate of growth of the local government's population.

5 SECTION 5. INFLATION. The comptroller shall determine the
6 rate of monetary inflation in this state based on the average rate
7 of change during the preceding six years of the effective consumer
8 price index for this state. For purposes of this Act, the effective
9 consumer price index for this state is the average of the consumer
10 price indexes, as determined by the United States Department of
11 Labor, for:

- 12 (1) the Houston metropolitan area; and
- 13 (2) the Dallas/Fort Worth metropolitan area.

14 SECTION 6. REFERENDUM. The voters of a local government may
15 nullify Section 2 of this Act if a majority of the voters voting at a
16 referendum on that issue favor nullification.

17 SECTION 7. TRANSITION. This Act applies only to a local
18 government budget adopted on or after the effective date of this
19 Act. A local government budget adopted before the effective date of
20 this Act is governed by the law in effect when the budget was
21 adopted, and the former law is continued in effect for that purpose.

22 SECTION 8. EFFECTIVE DATE. This Act takes effect September
23 1, 2011.