

By: Paxton

H.J.R. No. 70

A JOINT RESOLUTION

1 proposing a constitutional amendment regarding the maximum rate of  
2 growth of appropriations and the use of unencumbered surplus  
3 general revenues to fund the state's rainy day fund and a public  
4 school property tax relief fund.

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 22, Article VIII, Texas Constitution, is  
7 amended to read as follows:

8 Sec. 22. (a) The ~~[In no biennium shall the]~~ rate of growth  
9 of appropriations from the state treasury for a fiscal biennium, as  
10 compared to the previous fiscal biennium, from all available  
11 sources of revenue except the federal government may not ~~[state tax~~  
12 ~~revenues not dedicated by this constitution]~~ exceed the maximum  
13 ~~[the estimated]~~ rate of growth determined in accordance with  
14 Subsection (c) of this section and general law. The amount of  
15 appropriations from the state treasury for a fiscal biennium may  
16 not exceed the amount of permissible appropriations from all  
17 available sources of revenue except the federal government for that  
18 fiscal biennium, as determined in accordance with Subsection (d) of  
19 this section and general law ~~[of the state's economy].~~

20 (b) For purposes of this section, appropriations from any  
21 source of revenue made for the sole purpose of reducing the  
22 imposition of ad valorem taxes by a political subdivision of this  
23 state or otherwise providing ad valorem tax relief are excluded  
24 from the determinations made under Subsections (c) and (d) of this

1 section.

2 (c) The maximum rate of growth of appropriations from all  
3 available sources of revenue except the federal government is the  
4 least of:

5 (1) a rate equal to the sum of:

6 (A) the estimated rate of growth of this state's  
7 population; and

8 (B) the estimated rate of monetary inflation in  
9 this state;

10 (2) the estimated rate of growth of this state's gross  
11 state product; or

12 (3) the estimated rate of growth of personal income of  
13 this state's residents.

14 (d) The amount of permissible appropriations from all  
15 available sources of revenue except the federal government may not  
16 exceed an amount determined by multiplying the amount of  
17 appropriations from all available sources of revenue except the  
18 federal government for the then current fiscal biennium by the sum  
19 of one plus the maximum rate of growth determined under Subsection  
20 (c) of this section. If the maximum rate of growth determined under  
21 Subsection (c) of this section is a negative rate, the maximum  
22 amount of permissible appropriations from all available sources of  
23 revenue except the federal government for the next fiscal biennium  
24 is an amount less than the amount of appropriations for the then  
25 current fiscal biennium reduced in accordance with that negative  
26 growth rate.

27 (e) The legislature shall provide by general law procedures

1 to implement this section [~~subsection~~].

2       (f) [~~(b)~~] If the legislature, by adoption on a record vote  
3 of a resolution approved by two-thirds [~~a record vote of a majority~~]  
4 of the members of each house, finds that an emergency exists and  
5 identifies the nature of the emergency, the legislature may provide  
6 by that resolution for appropriations in excess of the maximum  
7 permissible amount of appropriations authorized under [~~by~~]  
8 Subsection (d) [~~(a)~~] of this section. The total of the excess  
9 appropriations authorized by resolutions approved under this  
10 subsection may not exceed the total of the amounts [~~amount~~]  
11 specified in those resolutions [~~the resolution~~].

12       (g) [~~(e)~~] In no case shall appropriations exceed revenues  
13 as provided in Article III, Section 49a, of this constitution.  
14 Nothing in this section shall be construed to alter, amend, or  
15 repeal Article III, Section 49a, of this constitution.

16       SECTION 2. Section 49a, Article III, Texas Constitution, is  
17 amended by adding Subsections (c) and (d) to read as follows:

18       (c) A bill containing an appropriation may not be considered  
19 as passed and may not be sent to the Governor for consideration  
20 until the Comptroller of Public Accounts endorses on the bill the  
21 Comptroller's certificate showing that the amount appropriated  
22 does not exceed the maximum amount of permissible appropriations  
23 authorized under Section 22, Article VIII, of this constitution.

24       (d) When the Comptroller of Public Accounts finds that a  
25 bill containing an appropriation exceeds the maximum amount of  
26 permissible appropriations authorized under Section 22, Article  
27 VIII, of this constitution, the Comptroller shall:

1           (1) endorse on the bill that finding;

2           (2) return the bill to the House in which it  
3 originated; and

4           (3) notify immediately the House of Representatives  
5 and the Senate of the finding.

6           SECTION 3. Section 49-g(b), Article III, Texas  
7 Constitution, is amended to read as follows:

8           (b) The comptroller shall, not later than the 90th day of  
9 each state fiscal biennium, transfer to the economic stabilization  
10 fund one-quarter [~~one-half~~] of any unencumbered positive balance of  
11 general revenues on the last day of the preceding biennium. If  
12 necessary, the comptroller shall reduce the amount transferred in  
13 proportion to the other amounts prescribed by this section to  
14 prevent the amount in the fund from exceeding the limit in effect  
15 for that biennium under Subsection (g) of this section. For  
16 purposes of this subsection, general revenues are considered  
17 encumbered on the last day of a state fiscal biennium only to the  
18 extent that general revenues are subject to payment for particular  
19 identifiable and legally enforceable obligations of this state that  
20 were incurred on or before that day and intended to be paid out of  
21 appropriations for that biennium.

22           SECTION 4. Article III, Texas Constitution, is amended by  
23 adding Section 49-g-1 to read as follows:

24           Sec. 49-g-1. (a) Not later than the 90th day of each state  
25 fiscal biennium, the comptroller of public accounts shall ascertain  
26 the amount of the unencumbered positive balance of general revenues  
27 on the last day of the preceding state fiscal biennium that remains

1 after the transfer of general revenues to the economic  
2 stabilization fund under Section 49-g(b) of this article. For  
3 purposes of this subsection, general revenues are considered  
4 encumbered on the last day of a state fiscal biennium only to the  
5 extent that general revenues are subject to payment for particular  
6 identifiable and legally enforceable obligations of this state that  
7 were incurred on or before that day and intended to be paid out of  
8 appropriations for that biennium.

9 (b) Not later than the 91st day of each state fiscal  
10 biennium, the comptroller of public accounts shall transfer to a  
11 property tax relief fund two-thirds of the amount of the balance  
12 ascertained under Subsection (a) of this section. Money  
13 transferred to the property tax relief fund may be appropriated  
14 only for the purpose of reducing as provided by general law the rate  
15 of the school district maintenance and operation taxes authorized  
16 by Section 3(e), Article VII, of this constitution.

17 (c) The legislature by general law shall provide the method  
18 by which the school district maintenance and operation tax rate is  
19 to be reduced by the appropriation of money dedicated for that  
20 purpose by Subsection (b) of this section. The maximum rate at  
21 which a school district may impose maintenance and operation taxes  
22 is to be reduced by an amount equal to one cent per \$100 valuation of  
23 taxable property for each one cent per \$100 valuation of taxable  
24 property that the school district's maintenance and operation tax  
25 is reduced by the general law method required by this subsection.

26 (d) In preparing an estimate of anticipated revenues for a  
27 succeeding biennium as required by Section 49a of this article, the

1 comptroller of public accounts shall estimate the amount of the  
2 transfers that will be made under this section. The comptroller  
3 shall deduct that amount from the estimate of anticipated revenues  
4 as if the transfers were made on August 31 of that fiscal year.

5 SECTION 5. (a) This proposed constitutional amendment  
6 shall be submitted to the voters at an election to be held November  
7 6, 2012.

8 (b) The ballot shall be printed to permit voting for or  
9 against the proposition: "The constitutional amendment regarding  
10 the maximum rate of growth of appropriations and the use of  
11 unencumbered surplus general revenues to fund the state's rainy day  
12 fund and a public school property tax relief fund."