

By: Watson, Patrick

S.B. No. 1652

A BILL TO BE ENTITLED

AN ACT

relating to the implementation of new processes for the purposes of budget transparency, fiscal responsibility, and open government.

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

SECTION 1. Section 322.003, Government Code, is amended by adding Subsection (f) to read as follows:

(f) The board shall hold a public hearing in November of each state fiscal year to hear a report from the comptroller and receive public testimony regarding the financial condition of this state. The report from the comptroller must:

(1) specify for each revenue source included in determining the estimate of anticipated revenue for purposes of the most recent statement required by Section 49a, Article III, Texas Constitution, the total net revenue actually collected from that source for the state fiscal year as of the end of the most recent state fiscal quarter;

(2) compare for the period described by Subdivision (1) the total net revenue collected from each revenue source required to be specified under that subdivision with the anticipated revenue from that source that was included for purposes of determining the estimate of anticipated revenue in the statement required by Section 49a, Article III, Texas Constitution;

(3) specify for each state revenue source resulting from a law taking effect after the comptroller submitted the most

1 recent statement required by Section 49a, Article III, Texas
2 Constitution, the estimated total net revenue collected from that
3 source for the state fiscal year as of the end of the most recent
4 state fiscal quarter;

5 (4) summarize indicators of state economic trends
6 experienced since the most recent statement required by Section
7 49a, Article III, Texas Constitution; and

8 (5) summarize anticipated state economic trends and
9 the anticipated effect of the trends on state revenue collections.

10 SECTION 2. Section 322.008, Government Code, is amended by
11 adding Subsection (b-1) to read as follows:

12 (b-1) For each state fee the amount of which is proposed or
13 authorized to be increased by a provision of the general
14 appropriations bill, the general appropriations bill must set out
15 in a separate section of the bill:

16 (1) the statutory authority for the fee;

17 (2) the amount of the fee increase;

18 (3) each purpose for which the fee revenue is to be
19 used; and

20 (4) into which fund the fee revenue will be deposited.

21 SECTION 3. Chapter 322, Government Code, is amended by
22 adding Section 322.022 to read as follows:

23 Sec. 322.022. PUBLIC HEARING ON INTERIM BUDGET REDUCTION
24 REQUEST. (a) In this section:

25 (1) "Interim budget reduction request" means a request
26 communicated in any manner for a state agency to make adjustments to
27 the strategies, methods of finance, performance measures, or riders

1 applicable to the agency through the state budget in effect on the
2 date the request is communicated that, if implemented, would reduce
3 the agency's total expenditures for the current state fiscal
4 biennium to an amount less than the total amount that otherwise
5 would be permissible based on the appropriations made to the agency
6 in the budget.

7 (2) "State agency" means an office, department, board,
8 commission, institution, or other entity to which a legislative
9 appropriation is made.

10 (b) A state agency shall provide to the board a detailed
11 report of any expenditure reduction plan that:

12 (1) the agency develops in response to an interim
13 budget reduction request made by the governor, the lieutenant
14 governor, or a member of the legislature, or any combination of
15 those persons; and

16 (2) if implemented, would reduce the agency's total
17 expenditures for the current state fiscal biennium to an amount
18 less than the total amount that otherwise would be permissible
19 based on the appropriations made to the agency in the state budget
20 for the biennium.

21 (c) The board shall hold a public hearing to solicit
22 testimony on an expenditure reduction plan a state agency reports
23 to the board as required by Subsection (b) as soon as practicable
24 after receiving the report. The agency may not implement any
25 element of the plan until the conclusion of the hearing.

26 (d) This section does not apply to an expenditure reduction
27 a state agency desires to make that does not directly or indirectly

1 result from an interim budget reduction request made by the
2 governor, the lieutenant governor, or a member of the legislature,
3 or any combination of those persons.

4 SECTION 4. Subchapter B, Chapter 403, Government Code, is
5 amended by adding Section 403.0145 to read as follows:

6 Sec. 403.0145. PUBLICATION OF FEES SCHEDULE. As soon as
7 practicable after the end of each state fiscal year, the
8 comptroller shall publish a schedule of all revenue to the state
9 from fees authorized by statute. For each fee, the schedule must
10 specify:

11 (1) the purpose for which the fee revenue is to be
12 used;

13 (2) if the fee has been increased during the most
14 recent legislative session, the amount of the increase;

15 (3) into which fund the fee revenue will be deposited;
16 and

17 (4) the amount of the fee revenue that will be
18 considered available for general governmental purposes and
19 accordingly considered available for the purpose of certification
20 under Section 403.121.

21 SECTION 5. Section 404.124, Government Code, is amended by
22 amending Subsections (a) and (b) and adding Subsection (b-1) to
23 read as follows:

24 (a) Before issuing notes the comptroller shall submit to the
25 committee a general revenue cash flow shortfall forecast, based on
26 the comptroller's most recent anticipated revenue estimate. The
27 forecast must contain a detailed report of estimated revenues and

1 expenditures for each month and each major revenue and expenditure
2 category and must demonstrate the maximum general revenue cash flow
3 shortfall that may be predicted. The committee shall hold a public
4 hearing to solicit testimony on the forecast, including testimony
5 on this state's overall economic condition, as soon as practicable
6 after receiving the forecast.

7 (b) Based on the forecast and testimony provided at the
8 hearing required by Subsection (a), the committee may approve the
9 issuance of notes, subject to Subsections (b-1) and (c), and the
10 maximum outstanding balance of notes in any fiscal year. The
11 outstanding balance may not exceed the maximum temporary cash
12 shortfall forecast by the comptroller for any period in the fiscal
13 year. The comptroller may not issue notes in excess of the amount
14 approved.

15 (b-1) The committee's approval of the issuance of notes
16 granted under Subsection (b) expires on the 91st day after the date
17 the hearing conducted under Subsection (a) concludes. The
18 comptroller may not issue notes on or after the 91st day unless the
19 comptroller submits another general revenue cash flow shortfall
20 forecast to the committee and the committee subsequently grants
21 approval for the issuance of the notes in accordance with the
22 procedure required by Subsections (a) and (b). Each subsequent
23 approval expires on the 61st day after the date the hearing on which
24 the approval was based concludes.

25 SECTION 6. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

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1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2011.