

By: Williams, Nichols

S.B. No. 7

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the constitutional limit on the rate of growth of
3 appropriations of revenue.

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

5 SECTION 1. Sections 316.001 and 316.002, Government Code,
6 are amended to read as follows:

7 Sec. 316.001. LIMIT. (a) The rate of growth of
8 appropriations in a state fiscal biennium from all sources of
9 revenue other than the federal government [~~state tax revenues not~~
10 ~~dedicated by the constitution~~] may not exceed a rate determined by
11 adding the estimated rate of the increase or decrease in the state's
12 population during the next state fiscal biennium and the estimated
13 rate of monetary inflation or deflation in this state during that
14 next biennium [~~the estimated rate of growth of the state's~~
15 ~~economy~~].

16 (b) If the sum of the estimated rates described by
17 Subsection (a) is a negative number, the amount of appropriations
18 authorized for the next state fiscal biennium from all sources of
19 revenue other than the federal government must decrease as
20 prescribed by this subchapter.

21 Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD.

22 (a) Before the Legislative Budget Board submits the budget for the
23 next state fiscal biennium as prescribed by Section 322.008(c), the
24 board shall establish:

1 (1) the maximum allowable rate of growth of
2 appropriations from all sources of revenue other than the federal
3 government between the current state fiscal biennium and the next
4 state fiscal biennium, in accordance with Section 22, Article VIII,
5 Texas Constitution, expressed as a percentage, by adding the
6 following estimated rates, as determined by the board:

7 (A) the estimated rate of change of the state's
8 population during the next state fiscal biennium, expressed as a
9 percentage; and

10 (B) the estimated rate of monetary inflation or
11 deflation in this state during the next state fiscal ~~[estimated~~
12 ~~rate of growth of the state's economy from the current biennium to~~
13 ~~the next]~~ biennium, expressed as a percentage;

14 (2) the estimated amount ~~[level]~~ of appropriations for
15 the current state fiscal biennium from all sources of revenue other
16 than the federal government ~~[state tax revenues not dedicated by~~
17 ~~the constitution]~~; and

18 (3) the amount of ~~[state tax]~~ revenues from all
19 sources of revenue other than the federal government ~~[not dedicated~~
20 ~~by the constitution]~~ that could be appropriated for the next state
21 fiscal biennium within the limit established in accordance with the
22 maximum allowable rate of growth determined under Subdivision (1)
23 and the estimated amount of appropriations for the current state
24 fiscal biennium determined under Subdivision (2) ~~[by the estimated~~
25 ~~rate of growth of the state's economy]~~.

26 (b) If the sum of the estimated rate of increase or decrease
27 in the state's population and the estimated rate of monetary

1 inflation or deflation in this state is a negative number, the
2 amount of appropriations authorized for the next state fiscal
3 biennium from all sources of revenue other than the federal
4 government may not exceed the amount of appropriations from those
5 sources of revenue in the current state fiscal biennium reduced by
6 the product of that amount and the additive inverse of the sum of
7 those rates. [~~Except as provided by Subsection (c), the board shall~~
8 ~~determine the estimated rate of growth of the state's economy by~~
9 ~~dividing the estimated Texas total personal income for the next~~
10 ~~biennium by the estimated Texas total personal income for the~~
11 ~~current biennium. Using standard statistical methods, the board~~
12 ~~shall make the estimate by projecting through the biennium the~~
13 ~~estimated Texas total personal income reported by the United States~~
14 ~~Department of Commerce or its successor in function.~~]

15 (c) [~~If a more comprehensive definition of the rate of~~
16 ~~growth of the state's economy is developed and is approved by the~~
17 ~~committee established by Section 316.005, the board may use that~~
18 ~~definition in calculating the limit on appropriations.~~

19 [~~(d)~~] To ensure compliance with Section 22, Article VIII,
20 [~~Section 22, of the~~] Texas Constitution, the Legislative Budget
21 Board may not transmit in any form to the governor or the
22 legislature the budget as prescribed by Section 322.008(c) or the
23 general appropriations bill as prescribed by Section 322.008(d)
24 until the limit on the rate of growth of appropriations has been
25 adopted as required by this subchapter.

26 (d) [~~(e)~~] In the absence of an action by the Legislative
27 Budget Board to adopt a spending limit as provided by this section

1 ~~[in Subsections (a) and (b)]~~, the sum of the estimated rate of
2 population growth and the estimated rate of inflation ~~[in the~~
3 ~~state's economy from the current biennium to the next biennium]~~
4 shall be treated as if that rate ~~[it]~~ were zero, and the amount of
5 revenue from all sources of revenue other than the federal
6 government ~~[state tax revenues not dedicated by the constitution]~~
7 that could be appropriated for the next state fiscal biennium is
8 ~~[within the limit established by the estimated rate of growth in the~~
9 ~~state's economy shall be]~~ the same as the amount ~~[level]~~ of
10 appropriations from those sources of revenue for the current
11 biennium.

12 SECTION 2. Section 316.006, Government Code, is amended to
13 read as follows:

14 Sec. 316.006. LIMIT ON BUDGET RECOMMENDATIONS. Unless
15 authorized by majority vote of the members of the board from each
16 house, the Legislative Budget Board budget recommendations
17 relating to the proposed appropriations of revenue from all sources
18 of revenue other than the federal government ~~[state tax revenues~~
19 ~~not dedicated by the constitution]~~ may not exceed the limit adopted
20 by the committee under Section 316.005.

21 SECTION 3. Subsection (a), Section 316.007, Government
22 Code, is amended to read as follows:

23 (a) The Legislative Budget Board shall include in its budget
24 recommendations the proposed limit of appropriations of revenue
25 from all sources of revenue other than the federal government ~~[from~~
26 ~~state tax revenues not dedicated by the constitution]~~.

27 SECTION 4. Subsection (a), Section 316.008, Government

1 Code, is amended to read as follows:

2 (a) Unless the legislature adopts a resolution under
3 Section 22, Article VIII, [Section 22(b), of the] Texas
4 Constitution, raising the proposed limit on appropriations, the
5 proposed limit is binding on the legislature with respect to all
6 appropriations for the next state fiscal biennium made from all
7 sources of revenue other than the federal government [~~state tax~~
8 ~~revenues not dedicated by the constitution~~].

9 SECTION 5. The changes in law made by this Act apply only,
10 as applicable, in relation to appropriations made for the state
11 fiscal biennium beginning September 1, 2015, and subsequent state
12 fiscal bienniums. Appropriations for the state fiscal biennium
13 that begins September 1, 2013, are governed by Sections 316.001,
14 316.002, and 316.008, Government Code, as those sections existed on
15 January 1, 2013, and the former law is continued in effect for that
16 purpose.

17 SECTION 6. This Act takes effect on the date on which the
18 constitutional amendment proposed by the 83rd Legislature, 1st
19 Called Session, 2013, concerning the limitation on the rate of
20 growth of appropriations of revenue takes effect. If that
21 amendment is not approved by the voters, this Act has no effect.