

By: Nichols, et al.

S.B. No. 1

A BILL TO BE ENTITLED

AN ACT

relating to the creation and functions of legislative select committees on transportation funding, expenditures, and finance and to the preservation of a sufficient balance in the economic stabilization fund.

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

SECTION 1. (a) The speaker of the house of representatives shall appoint nine members to a House Select Committee on Transportation Funding, Expenditures, and Finance and designate one member as chair. The lieutenant governor shall appoint nine members to a Senate Select Committee on Transportation Funding, Expenditures, and Finance and designate one member as chair. The speaker and lieutenant governor shall make the appointments not later than December 15, 2013.

(b) The committees established under this section may meet separately at the call of the chair of the committee or jointly at the call of both chairs. In joint meetings, the chairs shall act as joint chairs.

(c) The committees established under this section, meeting separately or jointly, shall review, study, and evaluate:

(1) the future reliability of all current state transportation funding sources;

(2) alternatives that may increase available state funding for surface transportation, including an examination of

1 increases to current surface-transportation-related funding  
2 streams and possible diversions of  
3 non-surface-transportation-related funding streams toward surface  
4 transportation funding;

5 (3) the use of debt financing in state transportation  
6 funding, including the uses of the Texas Mobility Fund, and the  
7 effects on long-term transportation planning of using debt  
8 financing;

9 (4) alternative transportation funding options in use  
10 nationally and internationally;

11 (5) current and historic appropriations to the Texas  
12 Department of Transportation, including:

13 (A) whether that agency's budget structure best  
14 maximizes the application of limited public funds toward highway  
15 maintenance and construction;

16 (B) whether there are opportunities to reduce the  
17 use of money from the state highway fund by that agency for  
18 activities not related to highway maintenance and construction,  
19 including such uses as employee salaries and benefits; and

20 (C) possible benefits of developing a budget for  
21 that agency for the 2016-2017 state fiscal biennium using  
22 zero-based budgeting principles;

23 (6) the uses of the state highway fund for agencies  
24 other than the Texas Department of Transportation, including and  
25 emphasizing the use of that fund for the Department of Public Safety  
26 of the State of Texas; and

27 (7) the original purpose of the economic stabilization

1 fund established by Section 49-g, Article III, Texas Constitution,  
2 whether that purpose remains relevant, and whether it remains  
3 appropriate to continue using the net amount of oil and gas  
4 production taxes received in the 1987 state fiscal year as the basis  
5 for making general revenue transfers to the economic stabilization  
6 fund.

7 (d) Following consideration of the factors described by  
8 Subsection (c) of this section, the committees established under  
9 this section shall jointly adopt recommendations related to the  
10 reviewed subjects and shall provide a written report of the  
11 committees' recommendations on the reviewed subjects to the  
12 legislature not later than November 1, 2014.

13 (e) The committees established under this section may  
14 exercise any power of a committee of their respective chambers and  
15 any powers of a joint committee. For the purposes of this Act, the  
16 committees established under this section are considered a joint  
17 committee and the cost of operation of each committee may be borne  
18 in the same manner as the cost of a joint committee. The Texas  
19 Legislative Council may provide funding for the operations of the  
20 committees. To the extent not inconsistent with this resolution,  
21 the joint rules adopted by the 83rd Legislature for the  
22 administration of joint interim legislative study committees apply  
23 to the committees established under this section.

24 (f) This section expires January 13, 2015.

25 SECTION 2. (a) Chapter 316, Government Code, is amended by  
26 adding Subchapter H to read as follows:

1     SUBCHAPTER H. PRESERVATION OF SUFFICIENT BALANCE IN ECONOMIC

2                     STABILIZATION FUND

3     Sec. 316.091. DEFINITIONS. In this subchapter:

4             (1) "Board" means the Legislative Budget Board.

5             (2) "Fund" means the economic stabilization fund.

6     Sec. 316.092. DETERMINATION OF SUFFICIENT BALANCE. (a) For  
7 the purposes of Section 49-g(c-2), Article III, Texas Constitution,  
8 before the board submits the budget as prescribed by Section  
9 322.008(c), the board shall determine and adopt for the next state  
10 fiscal biennium a sufficient balance of the fund in an amount that  
11 the board estimates will ensure an appropriate amount of revenue  
12 available in the fund. In determining the sufficient balance for  
13 that fiscal biennium, the board shall consider:

14             (1) the history of fund balances;

15             (2) the history of transfers to the fund;

16             (3) estimated fund balances during that fiscal  
17 biennium;

18             (4) estimated transfers to the fund to occur during  
19 that fiscal biennium;

20             (5) information available to the board regarding state  
21 highway congestion and funding demands; and

22             (6) any other information requested by the board  
23 regarding the state's financial condition.

24     (b) On or before October 1 of each even-numbered year, the  
25 comptroller shall provide to the board the comptroller's projection  
26 of the amounts to be transferred to the fund during the next state  
27 fiscal biennium.

1       Sec. 316.093. ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO  
2 FUND AND STATE HIGHWAY FUND. (a) Before the comptroller makes  
3 transfers for a state fiscal year in accordance with Section  
4 49-g(c), Article III, Texas Constitution, the comptroller shall  
5 determine whether the sum of the balance of the fund on the  
6 preceding August 31, any projected transfer to the fund under  
7 Section 49-g(b) of that article, and any projected transfer to the  
8 fund under Section 49-g(c) of that article in accordance with the  
9 allocations for the transfer as provided by Section 49-g(c-1) of  
10 that article is less than the sufficient balance adopted under  
11 Section 316.092.

12       (b) If the sum described by Subsection (a) is less than the  
13 sufficient balance adopted under Section 316.092, the comptroller  
14 shall adjust the allocation of amounts to be transferred to the fund  
15 and to the state highway fund as provided by Section 49-g(c),  
16 Article III, Texas Constitution, so that:

17           (1) the amount allocated for transfer to the fund is  
18 increased by an additional amount equal to the lesser of the  
19 remaining one-half of the sum of the amounts allocated for transfer  
20 under Sections 49-g(d) and (e) of that article or the amount  
21 necessary for the sufficient balance to be reached when considered  
22 together with other estimated transfers to the fund during the  
23 then-current fiscal year; and

24           (2) the amount allocated for transfer to the state  
25 highway fund is reduced by the amount of the increased allocation to  
26 the fund under Subdivision (1).

27       (c) If the board has not adopted under Section 316.092 a

1 sufficient balance for the comptroller to consider under this  
2 section, the comptroller shall adjust the allocation of amounts to  
3 be transferred to the fund and to the state highway fund as provided  
4 by Section 49-g(c), Article III, Texas Constitution, so that the  
5 total of those amounts is transferred to the economic stabilization  
6 fund, except that the comptroller shall reduce a transfer made  
7 under this subsection as necessary to prevent the amount in the fund  
8 from exceeding the limit in effect for that biennium under Section  
9 49-g(g) of that article.

10 (d) As soon as practicable after the effective date of this  
11 section, the board shall determine and adopt a sufficient balance  
12 of the fund applicable to the transfers to be made under Section  
13 49-g(c), Article III, Texas Constitution, for the state fiscal year  
14 beginning September 1, 2014, and a sufficient balance of the fund  
15 applicable to the transfers to be made under that subsection for the  
16 next fiscal biennium. The comptroller may not make the transfers  
17 required under Section 49-g(c) of that article for the state fiscal  
18 year beginning September 1, 2014, until the board has adopted a  
19 sufficient balance under this subsection. However, if the board  
20 has not adopted the balance before the 30th day after the effective  
21 date of this section, the comptroller shall make that transfer on  
22 the 30th day after the effective date of this section in accordance  
23 with Subsection (c) of this section. This subsection expires  
24 September 1, 2015.

25 (b) This section takes effect immediately on the final  
26 canvass of the election on the constitutional amendment proposed by  
27 the 83rd Legislature, 3rd Called Session, 2013, to provide for the

1 transfer of certain general revenue to the economic stabilization  
2 fund and the state highway fund and for the dedication of the  
3 revenue transferred to the state highway fund, but only if that  
4 amendment is approved by the voters. If that amendment is not  
5 approved by the voters, this section has no effect.

6 SECTION 3. Except as otherwise provided by this Act:

7 (1) this Act takes effect immediately if it receives a  
8 vote of two-thirds of all the members elected to each house, as  
9 provided by Section 39, Article III, Texas Constitution; and

10 (2) if this Act does not receive the vote necessary for  
11 immediate effect, this Act takes effect on the 91st day after the  
12 last day of the legislative session.