

By: Perry

H.B. No. 228

A BILL TO BE ENTITLED

AN ACT

relating to the maximum rate of growth of appropriations.

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

SECTION 1. Section 316.001, Government Code, is amended to read as follows:

Sec. 316.001. APPROPRIATIONS LIMIT; RATE OF GROWTH. (a) Unless a greater amount is authorized as provided by Section 22(e), Article VIII, Texas Constitution, the amount of appropriations from the state treasury for a fiscal biennium may not exceed the amount determined in accordance with this section.

(b) The maximum rate of growth of appropriations from the state treasury for a fiscal biennium, as compared to the preceding fiscal [in a] biennium, is the lesser of the following rates:

(1) [from state tax revenues not dedicated by the constitution may not exceed] the estimated rate of growth of personal income of this [the] state's residents; or

(2) a rate equal to the sum of:

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

(B) the estimated biennial rate of monetary inflation in this state [economy].

SECTION 2. Section 316.002, Government Code, is amended to read as follows:

Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD.

1 (a) Before the Legislative Budget Board submits the budget as  
2 prescribed by Section 322.008(c), the board shall determine  
3 ~~[establish]~~:

4 (1) the estimated rate of growth of personal income of  
5 this [the] state's residents [economy] from the current fiscal  
6 biennium to the next fiscal biennium, determined as provided by  
7 Subsection (b);

8 (2) a rate equal to the sum of:

9 (A) the estimated biennial rate of growth of this  
10 state's population, determined as provided by Subsection (c); and

11 (B) the estimated biennial rate of monetary  
12 inflation in this state, determined as provided by Subsection (d);

13 (3) the amount [level] of appropriations for the  
14 current fiscal biennium ~~[from state tax revenues not dedicated by~~  
15 ~~the constitution]~~; and

16 (4) ~~[(3)]~~ the maximum permissible amount of  
17 appropriations of revenue from the state treasury [state tax  
18 revenues not dedicated by the constitution that could be  
19 appropriated] for the next fiscal biennium ~~[within the limit~~  
20 ~~established]~~ by multiplying the total amount of appropriations for  
21 the current fiscal biennium by the sum of one and the maximum rate  
22 of growth of appropriations as provided by Section 316.001 [the  
23 estimated rate of growth of the state's economy].

24 (b) The Legislative Budget Board ~~[Except as provided by~~  
25 ~~Subsection (c), the board]~~ shall determine the estimated rate of  
26 growth of personal income of this [the] state's residents [economy]  
27 by dividing the estimated Texas total personal income for the next

1 fiscal biennium by the estimated Texas total personal income for  
2 the current fiscal biennium. Using standard statistical methods,  
3 the board shall make the estimate by projecting through the  
4 biennium the estimated Texas total personal income reported by the  
5 United States Department of Commerce or its successor in function.

6 (c) The Legislative Budget Board shall determine the  
7 estimated biennial rate of growth of this state's population  
8 according to estimates provided by the state demographer. [~~If a~~  
9 ~~more comprehensive definition of the rate of growth of the state's~~  
10 ~~economy is developed and is approved by the committee established~~  
11 ~~by Section 316.005, the board may use that definition in~~  
12 ~~calculating the limit on appropriations.~~]

13 (d) The Legislative Budget Board shall determine the  
14 estimated biennial rate of monetary inflation in this state based  
15 on the estimated rate of change during the preceding fiscal  
16 biennium of the effective consumer price index for this state.

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

25 (f) [~~(e)~~] In the absence of an action by the Legislative  
26 Budget Board to adopt a maximum permissible amount of  
27 appropriations for the next fiscal biennium [~~spending limit~~] as

1 provided by this section, the maximum permissible amount of  
2 appropriations for the next fiscal biennium is [~~in Subsections (a)~~  
3 ~~and (b), the estimated rate of growth in the state's economy from~~  
4 ~~the current biennium to the next biennium shall be treated as if it~~  
5 ~~were zero, and the amount of state tax revenues not dedicated by the~~  
6 ~~constitution that could be appropriated within the limit~~  
7 ~~established by the estimated rate of growth in the state's economy~~  
8 ~~shall be~~] the same as the amount [~~level~~] of those appropriations for  
9 the current fiscal biennium, determined under Subsection (a)(3).

10 SECTION 3. Section 316.003, Government Code, is amended to  
11 read as follows:

12 Sec. 316.003. PUBLICATION. Before the Legislative Budget  
13 Board approves the items of information required by Section  
14 316.002, the board shall publish in the Texas Register the proposed  
15 items of information and a description of the methodology and  
16 sources used in the determinations [~~calculations~~].

17 SECTION 4. Section 316.004, Government Code, is amended to  
18 read as follows:

19 Sec. 316.004. PUBLIC HEARING. Not later than December 1 of  
20 each even-numbered year, the Legislative Budget Board shall hold a  
21 public hearing to solicit testimony regarding the proposed items of  
22 information and the methodology used in making the determinations  
23 [~~calculations~~] required by Section 316.002.

24 SECTION 5. Section 316.006, Government Code, is amended to  
25 read as follows:

26 Sec. 316.006. LIMIT ON BUDGET RECOMMENDATIONS. Unless  
27 authorized by majority vote of the members of the board from each

1 house, the Legislative Budget Board budget recommendations  
2 relating to the proposed appropriations from the state treasury for  
3 the next fiscal biennium [~~of state tax revenues not dedicated by the~~  
4 ~~constitution~~] may not exceed the maximum permissible amount of  
5 appropriations [~~limit~~] adopted by the committee under Section  
6 316.005.

7 SECTION 6. Section 316.007(a), Government Code, is amended  
8 to read as follows:

9 (a) The Legislative Budget Board shall include in its budget  
10 recommendations the proposed maximum permissible amount [~~limit~~] of  
11 appropriations from the state treasury for the next fiscal biennium  
12 [~~from state tax revenues not dedicated by the constitution~~].

13 SECTION 7. Section 316.008(a), Government Code, is amended  
14 to read as follows:

15 (a) Unless the legislature adopts a resolution under  
16 Section 22(e), Article VIII, [~~Section 22(b), of the~~] Texas  
17 Constitution, raising the proposed maximum permissible amount of  
18 [~~limit on~~] appropriations for the next fiscal biennium, the  
19 proposed maximum permissible amount [~~limit~~] is binding on the  
20 legislature with respect to all appropriations for the next fiscal  
21 biennium made from the state treasury [~~state tax revenues not~~  
22 ~~dedicated by the constitution~~].

23 SECTION 8. (a) The changes in law made by this Act apply  
24 only in relation to appropriations made for the state fiscal  
25 biennium beginning September 1, 2015, and subsequent state fiscal  
26 bienniums.

27 (b) Appropriations for the state fiscal biennium that

1 begins September 1, 2013, are governed by Subchapter A, Chapter  
2 316, Government Code, as that subchapter existed immediately before  
3 the effective date of this Act, and the former law is continued in  
4 effect for that purpose.

5 SECTION 9. This Act takes effect on the date on which the  
6 constitutional amendment proposed by the 83rd Legislature, Regular  
7 Session, 2013, regarding the maximum amount of appropriations for a  
8 state fiscal biennium takes effect. If that amendment is not  
9 approved by the voters, this Act has no effect.