

By: King of Parker

H.B. No. 237

A BILL TO BE ENTITLED

AN ACT

relating to the limitation on the rate of growth in appropriations from state tax revenues.

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. LIMIT. The rate of growth of appropriations in a biennium from state tax revenues not dedicated by the constitution may not exceed the lesser of the following rates:

(1) the estimated rate of growth of the state's economy; and

(2) a rate equal to the sum of:

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

(B) the estimated biennial rate of monetary inflation in the state.

SECTION 2. Sections 316.002(a), (b), (c), and (e), Government Code, are amended to read as follows:

(a) Before the Legislative Budget Board submits the budget as prescribed by Section 322.008(c), the board shall establish:

(1) the estimated rate of growth of the state's economy from the current biennium to the next biennium as determined under Subsection (b);

(2) a rate equal to the sum of:

1 (A) the estimated biennial rate of growth of the
2 state's population as determined under Subsection (c); and

3 (B) the estimated biennial rate of monetary
4 inflation in the state as determined under Subsection (c);

5 (3) the level of appropriations for the current
6 biennium from state tax revenues not dedicated by the constitution;
7 and

8 (4) ~~[(3)]~~ the amount of state tax revenues not
9 dedicated by the constitution that could be appropriated for the
10 next biennium within the limit established by applying the lesser
11 of:

12 (A) the estimated rate of growth of the state's
13 economy as determined under Subsection (b); and

14 (B) a rate equal to the sum of:

15 (i) the estimated biennial rate of growth
16 of the state's population as determined under Subsection (c); and

17 (ii) the estimated biennial rate of
18 monetary inflation in the state as determined under Subsection (c).

19 (b) ~~The [Except as provided by Subsection (c), the]~~ board
20 shall determine the estimated rate of growth of the state's economy
21 by dividing the estimated Texas total personal income for the next
22 biennium by the estimated Texas total personal income for the
23 current biennium. Using standard statistical methods, the board
24 shall make the estimate by projecting through the biennium the
25 estimated Texas total personal income reported by the United States
26 Department of Commerce or its successor in function.

27 (c) The board shall determine a rate equal to the sum of the

1 estimated biennial rate of growth of the state's population and the
2 estimated biennial rate of monetary inflation in the state as
3 provided by this subsection. The board shall determine the
4 estimated biennial rate of growth of the state's population based
5 on the average rate of growth during the preceding six years
6 according to United States Census Bureau estimates as certified by
7 the comptroller. The board shall determine the estimated biennial
8 rate of monetary inflation in the state based on the average rate of
9 change during the preceding six years of the effective consumer
10 price index for the state. For purposes of this subsection, the
11 effective consumer price index for the state is the average of the
12 consumer price indexes as determined by the United States
13 Department of Labor for the Houston metropolitan area and for the
14 Dallas/Fort Worth metropolitan area. [~~If a more comprehensive~~
15 ~~definition of the rate of growth of the state's economy is developed~~
16 ~~and is approved by the committee established by Section 316.005,~~
17 ~~the board may use that definition in calculating the limit on~~
18 ~~appropriations.]~~

19 (e) In the absence of an action by the Legislative Budget
20 Board to adopt a spending limit as provided by this section, the
21 spending limit considered adopted under this subchapter is [~~in~~
22 ~~Subsections (a) and (b), the estimated rate of growth in the state's~~
23 ~~economy from the current biennium to the next biennium shall be~~
24 ~~treated as if it were]~~ zero, and the amount of state tax revenues
25 not dedicated by the constitution that may [~~could~~] be appropriated
26 for the next biennium [~~within the limit established by the~~
27 ~~estimated rate of growth in the state's economy]~~ shall be the same

as the level of appropriations for the current biennium.

SECTION 3. Section 316.008, Government Code, is amended to read as follows:

Sec. 316.008. EFFECT OF LIMIT; ENFORCEMENT. (a) In this section:

(1) "Constitutional limit on the rate of growth of appropriations" means the limit on the rate of growth of appropriations determined by the Legislative Budget Board under Section 316.002(b):

(A) as finally adopted by the committee under Section 316.005(b); or

(B) as considered adopted under Section 316.002(e) or 316.005(c).

(2) "Statutory limit on the rate of growth of appropriations" means the limit on the rate of growth of appropriations determined by the Legislative Budget Board under Section 316.002(c):

(A) as finally adopted by the committee under Section 316.005(b); or

(B) as considered adopted under Section 316.002(e) or 316.005(c).

(b) Unless the legislature adopts a resolution under Article VIII, Section 22(b), of the Texas Constitution raising the proposed constitutional limit on appropriations, the proposed constitutional limit is binding on the legislature with respect to all appropriations for the next biennium made from state tax revenues not dedicated by the constitution.

1 (c) [~~(b)~~] The rules of the house of representatives and
2 senate shall provide for enforcement of Subsection (b) [~~(a)~~].

3 (d) When the statutory limit on the rate of growth of
4 appropriations is lower than the constitutional limit on the rate
5 of growth of appropriations or is lower than the constitutional
6 limit as raised by a resolution described by Subsection (b), the
7 statutory limit is binding on the legislature with respect to all
8 appropriations for the next biennium made from state tax revenues
9 not dedicated by the constitution unless the legislature by general
10 law provides that the statutory limit does not apply to
11 appropriations for that biennium.

12 SECTION 4. The changes in law made by this Act apply only
13 with respect to appropriations for the state fiscal biennium
14 beginning September 1, 2015, and subsequent state fiscal bienniums.

15 SECTION 5. This Act takes effect September 1, 2013.