

By: King of Parker

H.B. No. 1870

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the limitation on the rate of growth in appropriations
3 from state tax revenues.

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

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

7 Sec. 316.001. LIMIT. The rate of growth of appropriations
8 in a biennium from state tax revenues not dedicated by the
9 constitution may not exceed the lesser of the following rates:

10 (1) the estimated rate of growth of this ~~the~~ state's
11 economy; and

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

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

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

17 SECTION 2. The heading to Section 316.002, Government Code,
18 is amended to read as follows:

19 Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD AND
20 GOVERNOR.

21 SECTION 3. Sections 316.002(a), (b), (c), and (e),
22 Government Code, are amended to read as follows:

23 (a) Before the Legislative Budget Board submits the budget
24 as prescribed by Section 322.008(c), the board and the governor

1 jointly shall establish:

2 (1) the estimated rate of growth of this ~~[the]~~ state's
3 economy from the current biennium to the next biennium as
4 determined under Subsection (b);

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

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

8 (B) the estimated biennial rate of monetary
9 inflation in this state as determined under Subsection (c);

10 (3) the level of appropriations for the current
11 biennium from state tax revenues not dedicated by the constitution;
12 and

13 (4) ~~[(3)]~~ the amount of state tax revenues not
14 dedicated by the constitution that could be appropriated for the
15 next biennium within the limit established by applying the lesser
16 of:

17 (A) the estimated rate of growth of this ~~[the]~~
18 state's economy as determined under Subsection (b); and

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

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

22 (ii) the estimated biennial rate of
23 monetary inflation in this state as determined under Subsection
24 (c).

25 (b) The ~~[Except as provided by Subsection (c), the]~~ board
26 and governor shall determine the estimated rate of growth of this
27 ~~[the]~~ state's economy by dividing the estimated Texas total

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

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

26 (e) In the absence of an action by the Legislative Budget
27 Board and governor to adopt a spending limit as provided by this

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

9 SECTION 4. Sections 316.003, 316.004, and 316.005,
10 Government Code, are amended to read as follows:

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

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

22 Sec. 316.005. ADOPTION BY COMMITTEE. (a) After the
23 Legislative Budget Board and governor jointly approve [~~approves~~]
24 the items of information required by Section 316.002, the board and
25 governor jointly shall submit the information to a committee
26 composed of the [~~governor,~~] lieutenant governor, speaker of the
27 house of representatives, and comptroller of public accounts.

1 (b) Not later than the 10th day after the date on which the
2 board and governor jointly submit [~~submits~~] the items of
3 information, the committee shall meet and finally adopt the items
4 of information, either as submitted by the board and governor or as
5 amended by the committee.

6 (c) If the committee fails to act within the 10-day period
7 prescribed by Subsection (b), the items of information submitted by
8 the board and governor are treated as if the committee had adopted
9 them as submitted.

10 SECTION 5. The changes in law made by this Act apply only,
11 as applicable, in relation to appropriations made for the state
12 fiscal biennium beginning September 1, 2015, and subsequent state
13 fiscal bienniums. Appropriations for the state fiscal biennium
14 that begins September 1, 2013, are governed by Sections 316.001 and
15 316.002, Government Code, as those sections existed on December 1,
16 2012, and the former law is continued in effect for that purpose.

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