

By: Sanford

H.J.R. No. 69

A JOINT RESOLUTION

1 proposing a constitutional amendment concerning the limitation on  
2 the rate of growth of state appropriations and the use of  
3 unencumbered surplus state revenues to provide for a rebate of  
4 state franchise taxes and to reduce public school district property  
5 taxes.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 22, Article VIII, Texas Constitution, is  
8 amended to read as follows:

9 Sec. 22. (a) In no biennium shall the rate of growth of  
10 appropriations from all sources of revenue other than the federal  
11 government [~~state tax revenues not dedicated by this constitution~~]  
12 exceed a rate equal to the sum of the estimated rates [~~rate~~] of  
13 increase or decrease, during the biennium preceding the biennium  
14 for which the appropriations are made, [growth] of:

15 (1) this [the] state's population; and

16 (2) inflation or deflation in this state in the prices  
17 of goods [~~economy~~].

18 (b) The rates described by Subsection (a) of this section  
19 shall be estimated in the manner provided by general law. If the  
20 sum of those estimated rates is a negative number, appropriations  
21 for the biennium from all sources of revenue other than the federal  
22 government must decrease by a rate at least equal to the additive  
23 inverse of the sum of those estimated rates.

24 (c) In this section, the rate of change of appropriations

1 from all sources of revenue other than the federal government is the  
2 percentage difference between:

3 (1) the amount of money appropriated for the current  
4 biennium from those sources as estimated in the manner prescribed  
5 by law at or near the time the legislature convenes in regular  
6 session during the current biennium; and

7 (2) the amount of money appropriated for the next  
8 biennium from those sources as finally estimated by the Comptroller  
9 of Public Accounts at the times the Acts making appropriations are  
10 considered by the comptroller under Article III, Section 49a, of  
11 this constitution.

12 (d) The legislature shall provide by general law procedures  
13 to implement Subsections (a), (b), and (c) of this section  
14 [subsection].

15 (e) [~~(b)~~] If the legislature by adoption of a resolution  
16 approved by a record vote of a majority of the members of each house  
17 finds that an emergency exists and identifies the nature of the  
18 emergency, the legislature may provide for appropriations in excess  
19 of the amount authorized by Subsection (a) of this section. The  
20 excess authorized under this subsection may not exceed the amount  
21 specified in the resolution.

22 (f) [~~(e)~~] In no case shall appropriations exceed revenues  
23 as provided in Article III, Section 49a, of this constitution.  
24 Nothing in this section shall be construed to alter, amend, or  
25 repeal Article III, Section 49a, of this constitution.

26 SECTION 2. Section 49a, Article III, Texas Constitution, is  
27 amended by adding Subsections (c) and (d) to read as follows:

1       (c) A bill containing an appropriation may not be considered  
2 as passed and may not be sent to the Governor for consideration  
3 until the Comptroller of Public Accounts endorses on the bill the  
4 Comptroller's certificate showing that the amount appropriated  
5 does not exceed the limitation on the rate of growth of  
6 appropriations imposed by Section 22, Article VIII, of this  
7 constitution.

8       (d) When the Comptroller of Public Accounts finds that a  
9 bill containing an appropriation exceeds the limitation on the rate  
10 of growth of appropriations imposed by Section 22, Article VIII, of  
11 this constitution, the Comptroller shall endorse that finding on  
12 the bill, return the bill to the House in which it originated, and  
13 immediately notify the House of Representatives and the Senate of  
14 the finding.

15       SECTION 3. Article III, Texas Constitution, is amended by  
16 adding Section 49-g-1 to read as follows:

17       Sec. 49-g-1. (a) Not later than the 90th day of each state  
18 fiscal biennium, the comptroller of public accounts shall ascertain  
19 the amount of the unencumbered positive balance of general revenues  
20 on the last day of the preceding state fiscal biennium that remains  
21 after the transfer of revenues to the economic stabilization fund  
22 under Subsection (b), Section 49-g, of this article. For purposes  
23 of this subsection, general revenues are considered encumbered on  
24 the last day of a state fiscal biennium only to the extent that  
25 general revenues are subject to payment for particular identifiable  
26 and legally enforceable obligations of this state that were  
27 incurred on or before that day and intended to be paid out of

1 appropriations for that state fiscal biennium.

2 (b) The legislature by general law shall provide a procedure  
3 by which the comptroller of public accounts shall issue to payers of  
4 this state's franchise tax a rebate of franchise taxes paid during  
5 the preceding state fiscal biennium such that:

6 (1) the total amount of rebates issued equals the  
7 lesser of:

8 (A) one-half of the amount of the remaining  
9 unencumbered positive balance of general revenues ascertained  
10 under Subsection (a) of this section; or

11 (B) the total amount of state franchise taxes  
12 collected during that preceding state fiscal biennium; and

13 (2) each payer of the franchise tax during that  
14 preceding state fiscal biennium receives a share of the total  
15 amount of rebates issued that is directly proportionate to the  
16 share that the amount of that taxpayer's franchise taxes paid  
17 during that preceding state fiscal biennium bears to the total  
18 amount of franchise taxes collected during that preceding state  
19 fiscal biennium.

20 (c) Not later than the 91st day of each state fiscal  
21 biennium, the comptroller of public accounts shall transfer to the  
22 property tax relief fund established by general law one-half of the  
23 amount of the unencumbered positive balance of general revenues  
24 ascertained under Subsection (a) of this section to be used for  
25 reducing public school district property taxes as provided by  
26 general law.

27 SECTION 4. This proposed constitutional amendment shall be

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1 submitted to the voters at an election to be held November 4, 2014.  
2 The ballot shall be printed to permit voting for or against the  
3 proposition: "The constitutional amendment concerning the  
4 limitation on the rate of growth in appropriations and the use of  
5 unencumbered surplus state revenues to provide for a rebate of  
6 state franchise taxes and to reduce public school district property  
7 taxes."