

1-1 By: Patrick, Schwertner S.B. No. 101
 1-2 (In the Senate - Filed November 12, 2012; January 29, 2013,
 1-3 read first time and referred to Committee on Finance;
 1-4 April 29, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 10, Nays 3;
 1-6 April 29, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10		X		
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17		X		
1-18	X			
1-19	X			
1-20	X			
1-21			X	
1-22			X	
1-23		X		

1-24 COMMITTEE SUBSTITUTE FOR S.B. No. 101 By: Patrick

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the constitutional limit on the rate of growth of
 1-28 appropriations of revenue.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Sections 316.001 and 316.002, Government Code,
 1-31 are amended to read as follows:

1-32 Sec. 316.001. LIMIT. (a) The rate of growth of
 1-33 appropriations in a state fiscal biennium from all sources of
 1-34 revenue other than the federal government [~~state tax revenues not~~
 1-35 ~~dedicated by the constitution~~] may not exceed a rate determined by
 1-36 adding the estimated rate of the increase or decrease in the state's
 1-37 population during the next state fiscal biennium and the estimated
 1-38 rate of monetary inflation or deflation in this state during that
 1-39 next biennium [~~the estimated rate of growth of the state's~~
 1-40 ~~economy~~].

1-41 (b) If the sum of the estimated rates described by
 1-42 Subsection (a) is a negative number, the amount of appropriations
 1-43 authorized for the next state fiscal biennium from all sources of
 1-44 revenue other than the federal government must decrease as
 1-45 prescribed by this subchapter.

1-46 Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD.
 1-47 (a) Before the Legislative Budget Board submits the budget for the
 1-48 next state fiscal biennium as prescribed by Section 322.008(c), the
 1-49 board shall establish:

1-50 (1) the maximum allowable rate of growth of
 1-51 appropriations from all sources of revenue other than the federal
 1-52 government between the current state fiscal biennium and the next
 1-53 state fiscal biennium, in accordance with Section 22, Article VIII,
 1-54 Texas Constitution, expressed as a percentage, by adding the
 1-55 following estimated rates, as determined by the board:

1-56 (A) the estimated rate of change of the state's
 1-57 population during the next state fiscal biennium, expressed as a
 1-58 percentage; and

1-59 (B) the estimated rate of monetary inflation or
 1-60 deflation in this state during the next state fiscal [~~estimated~~

2-1 ~~rate of growth of the state's economy from the current biennium to~~
 2-2 ~~the next] biennium, expressed as a percentage;~~

2-3 (2) ~~the estimated amount [level] of appropriations for~~
 2-4 ~~the current state fiscal biennium from all sources of revenue other~~
 2-5 ~~than the federal government [state tax revenues not dedicated by~~
 2-6 ~~the constitution]; and~~

2-7 (3) ~~the amount of [state tax] revenues from all~~
 2-8 ~~sources of revenue other than the federal government [not dedicated~~
 2-9 ~~by the constitution] that could be appropriated for the next state~~
 2-10 ~~fiscal biennium within the limit established in accordance with the~~
 2-11 ~~maximum allowable rate of growth determined under Subdivision (1)~~
 2-12 ~~and the estimated amount of appropriations for the current state~~
 2-13 ~~fiscal biennium determined under Subdivision (2) [by the estimated~~
 2-14 ~~rate of growth of the state's economy].~~

2-15 (b) ~~If the sum of the estimated rate of increase or decrease~~
 2-16 ~~in the state's population and the estimated rate of monetary~~
 2-17 ~~inflation or deflation in this state is a negative number, the~~
 2-18 ~~amount of appropriations authorized for the next state fiscal~~
 2-19 ~~biennium from all sources of revenue other than the federal~~
 2-20 ~~government may not exceed the amount of appropriations from those~~
 2-21 ~~sources of revenue in the current state fiscal biennium reduced by~~
 2-22 ~~the product of that amount and the additive inverse of the sum of~~
 2-23 ~~those rates. [Except as provided by Subsection (c), the board shall~~
 2-24 ~~determine the estimated rate of growth of the state's economy by~~
 2-25 ~~dividing the estimated Texas total personal income for the next~~
 2-26 ~~biennium by the estimated Texas total personal income for the~~
 2-27 ~~current biennium. Using standard statistical methods, the board~~
 2-28 ~~shall make the estimate by projecting through the biennium the~~
 2-29 ~~estimated Texas total personal income reported by the United States~~
 2-30 ~~Department of Commerce or its successor in function.]~~

2-31 (c) ~~[If a more comprehensive definition of the rate of~~
 2-32 ~~growth of the state's economy is developed and is approved by the~~
 2-33 ~~committee established by Section 316.005, the board may use that~~
 2-34 ~~definition in calculating the limit on appropriations.~~

2-35 ~~[(d)] To ensure compliance with Section 22, Article VIII,~~
 2-36 ~~[Section 22, of the] Texas Constitution, the Legislative Budget~~
 2-37 ~~Board may not transmit in any form to the governor or the~~
 2-38 ~~legislature the budget as prescribed by Section 322.008(c) or the~~
 2-39 ~~general appropriations bill as prescribed by Section 322.008(d)~~
 2-40 ~~until the limit on the rate of growth of appropriations has been~~
 2-41 ~~adopted as required by this subchapter.~~

2-42 (d) ~~[(e)] In the absence of an action by the Legislative~~
 2-43 ~~Budget Board to adopt a spending limit as provided by this section~~
 2-44 ~~[in Subsections (a) and (b)], the sum of the estimated rate of~~
 2-45 ~~population growth and the estimated rate of inflation [in the~~
 2-46 ~~state's economy from the current biennium to the next biennium]~~
 2-47 ~~shall be treated as if that rate [it] were zero, and the amount of~~
 2-48 ~~revenue from all sources of revenue other than the federal~~
 2-49 ~~government [state tax revenues not dedicated by the constitution]~~
 2-50 ~~that could be appropriated for the next state fiscal biennium is~~
 2-51 ~~[within the limit established by the estimated rate of growth in the~~
 2-52 ~~state's economy shall be] the same as the amount [level] of~~
 2-53 ~~appropriations from those sources of revenue for the current~~
 2-54 ~~biennium.~~

2-55 SECTION 2. Section 316.006, Government Code, is amended to
 2-56 read as follows:

2-57 Sec. 316.006. LIMIT ON BUDGET RECOMMENDATIONS. Unless
 2-58 authorized by majority vote of the members of the board from each
 2-59 house, the Legislative Budget Board budget recommendations
 2-60 relating to the proposed appropriations of revenue from all sources
 2-61 of revenue other than the federal government [state tax revenues
 2-62 not dedicated by the constitution] may not exceed the limit adopted
 2-63 by the committee under Section 316.005.

2-64 SECTION 3. Subsection (a), Section 316.007, Government
 2-65 Code, is amended to read as follows:

2-66 (a) The Legislative Budget Board shall include in its budget
 2-67 recommendations the proposed limit of appropriations of revenue
 2-68 from all sources of revenue other than the federal government [from
 2-69 state tax revenues not dedicated by the constitution].

3-1 SECTION 4. Subsection (a), Section 316.008, Government
3-2 Code, is amended to read as follows:

3-3 (a) Unless the legislature adopts a resolution under
3-4 Section 22, Article VIII, [Section 22(b), of the] Texas
3-5 Constitution, raising the proposed limit on appropriations, the
3-6 proposed limit is binding on the legislature with respect to all
3-7 appropriations for the next state fiscal biennium made from all
3-8 sources of revenue other than the federal government [~~state tax~~
3-9 ~~revenues not dedicated by the constitution~~].

3-10 SECTION 5. The changes in law made by this Act apply only,
3-11 as applicable, in relation to appropriations made for the state
3-12 fiscal biennium beginning September 1, 2015, and subsequent state
3-13 fiscal bienniums. Appropriations for the state fiscal biennium
3-14 that begins September 1, 2013, are governed by Sections 316.001,
3-15 316.002, and 316.008, Government Code, as those sections existed on
3-16 January 1, 2013, and the former law is continued in effect for that
3-17 purpose.

3-18 SECTION 6. This Act takes effect on the date on which the
3-19 constitutional amendment proposed by the 83rd Legislature, Regular
3-20 Session, 2013, concerning the limitation on the rate of growth of
3-21 appropriations of revenue takes effect. If that amendment is not
3-22 approved by the voters, this Act has no effect.

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