

## **BILL ANALYSIS**

Senate Research Center  
84R17586 CJC-D

C.S.S.J.R. 2  
By: Hancock et al.  
Finance  
3/31/2015  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the Texas Constitution limits the rate of growth of appropriations from state tax revenues not dedicated by the constitution to exceed the estimated rate of growth of the state's economy. The enabling statute interprets this language to be the growth of the state's personal income as adopted by the Legislative Budget Board (LBB).

C.S.S.J.R. 2 proposes a constitutional amendment concerning the limitation on the rate of growth in appropriations of revenue. Enabling legislation amends statute to direct the LBB to measure growth in the state's economy by using the product of the state population growth and inflation rate rather than personal income growth.

C.S.S.J.R. 2 also increases the number of votes necessary to exceed the limit. The current requirement is majority approval in both houses of the legislature. C.S.S.J.R. 2 proposes increasing this amount to a three-fifths vote.

C.S.S.J.R. 2 proposes a constitutional amendment concerning the limitation on the rate of growth in appropriations.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 22, Article VIII, Texas Constitution, as follows:

Sec. 22. (a) Defines, for purposes of this section, "consolidated general revenue appropriations."

(b) Requires that in no state fiscal biennium shall the rate of growth of consolidated general revenue appropriations exceed the estimated average biennial rate of growth of the state's population during the state fiscal biennium preceding the biennium for which appropriations are made and during the state fiscal biennium for which appropriations are made adjusted by the estimated average biennial shall rate of monetary inflation in this state during the same period, rather than requiring that in no biennium the rate of growth of appropriations from state tax revenues not dedicated by this constitution exceed the estimated rate of growth of the state's economy.

(c) Requires that, notwithstanding Subsection (b) of this section, an appropriation to pay for a rebate of state taxes be excluded from computations used to determine whether appropriations exceed the amount authorized by this section.

(d) Requires that the rates described by Subsection (b) of this section be determined in the manner provided by general law. Prohibits consolidated general revenue appropriations, if the sum of those rates is a negative number, from

exceeding the consolidated general revenue appropriations in the current state fiscal biennium.

(e) Requires the legislature to provide by general law procedures to implement Subsections (b), (c), and (d) of this section, rather than requires the legislature to provide by general law procedures to implement this subsection.

(f) Redesignates existing Subsection (b) as Subsection (f). Authorizes the legislature, if the legislature by adoption of a resolution approved by a record vote of three-fifths of the members of each house, rather than a majority of the members of each house, finds that an emergency exists and identifies the nature of the emergency, to provide for appropriations in excess of the amount authorized by Subsection (a) of this section.

(g) Redesignates existing Subsection (c) as Subsection (g) and makes nonsubstantive changes.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 3, 2015. Sets forth the required language of the ballot.