

By: Leach

H.J.R. No. 45

A JOINT RESOLUTION

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

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~~]  
13 increase or decrease, during the biennium preceding the biennium  
14 for which the appropriations are made, [growth] of:

15 (1) the state's population; and

16 (2) inflation or deflation in this state [~~economy~~].

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

23 (c) In this section, the rate of change of appropriations  
24 from all sources of revenue other than the federal government is the

1 percentage difference between:

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

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

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

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

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

24 SECTION 2. Subsection (b), Section 49-g, Article III, Texas  
25 Constitution, is amended to read as follows:

26 (b) The comptroller shall, not later than the 90th day of  
27 each biennium, transfer to the economic stabilization fund

1 one-third [~~one-half~~] of any unencumbered positive balance of  
2 general revenues on the last day of the preceding biennium. If  
3 necessary, the comptroller shall reduce the amount transferred in  
4 proportion to the other amounts prescribed by this section to  
5 prevent the amount in the fund from exceeding the limit in effect  
6 for that biennium under Subsection (g) of this section. For  
7 purposes of this subsection, general revenues are considered  
8 encumbered on the last day of a biennium only to the extent that  
9 general revenues are subject to payment for particular identifiable  
10 and legally enforceable obligations of this state that were  
11 incurred on or before that day and intended to be paid out of  
12 appropriations for that biennium.

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

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

27 (b) The legislature by general law shall provide a procedure

1 by which the comptroller shall issue to payers of this state's  
2 franchise tax a rebate of franchise taxes paid during the preceding  
3 state fiscal biennium so that:

4 (1) the total amount of rebates issued equals the  
5 lesser of one-half of the amount of the remaining unencumbered  
6 positive balance of general revenues ascertained under Subsection  
7 (a) of this section or the total amount of state franchise taxes  
8 collected during that preceding state fiscal biennium; and

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

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

22 SECTION 4. This proposed constitutional amendment shall be  
23 submitted to the voters at an election to be held November 3, 2015.  
24 The ballot shall be printed to permit voting for or against the  
25 proposition: "The constitutional amendment concerning the  
26 limitation on the rate of growth in appropriations and the use of  
27 unencumbered surplus state revenues to provide for a rebate of

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1 state franchise taxes, to reduce public school district property  
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