

BILL ANALYSIS

C.S.H.B. 40
By: Simmons
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties assert the importance of ensuring that state and federal funds are not commingled so that federal funds are used consistent with the purposes for which the funds were received. C.S.H.B. 40 seeks to keep state and federal funds separated by prohibiting the comptroller of public accounts from depositing federal money in the general revenue fund and by requiring the comptroller to account for and administer such money separately from money in the general revenue fund.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 40 amends the Government Code to prohibit the comptroller of public accounts from depositing to the credit of the general revenue fund money received from the federal government but to require interest, other earnings on money, earned credits, and indirect cost recoveries received from the federal government to be deposited to the credit of the general revenue fund. The bill requires the comptroller to account for and administer federal money separately from money in the general revenue fund in a manner that ensures federal money is used for the purposes for which federal money is received. The bill authorizes the comptroller, for the purpose of facilitating the administration of federal money, to designate or create a fund or account in the treasury for the deposit of federal money and any interest or other earnings on the federal money or to merge, consolidate, or segregate funds or accounts or money deposited to funds or accounts.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 40 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0125 to read as follows:

Sec. 403.0125. FEDERAL MONEY DEPOSITED TO TREASURY. (a) The comptroller may not deposit to the credit of the general revenue fund money received from the federal government or accrued interest or other earnings on money received from the federal government. The comptroller shall account for and administer federal money separately from money in the general revenue fund in a manner that ensures federal money and earnings on federal money are used for the purposes for which federal money is received.

(b) To facilitate the administration of federal money under this section or other law, the comptroller may:

(1) designate or create a fund or account in the treasury for the deposit of federal money and any interest or other earnings on the federal money;

(2) merge, consolidate, or segregate funds or accounts or money deposited to funds or accounts; or

(3) abolish a fund or an account in the general revenue fund to which federal money has been deposited in accordance with other law.

(c) This section prevails over other general law that provides for money received from the federal government, or earnings on money received from the federal government, to be deposited to the credit of the general revenue fund or to the credit of an account in the general revenue fund. To the extent of any other conflict between this section and other law, this section controls.

SECTION 2. This Act takes effect September 1, 2017.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0125 to read as follows:

Sec. 403.0125. FEDERAL MONEY DEPOSITED TO TREASURY. (a) The comptroller may not deposit to the credit of the general revenue fund money received from the federal government. Interest, other earnings on money, earned credits, and indirect cost recoveries received from the federal government shall be deposited to the credit of the general revenue fund. The comptroller shall account for and administer federal money separately from money in the general revenue fund in a manner that ensures federal money is used for the purposes for which federal money is received.

(b) To facilitate the administration of federal money under this section or other law, the comptroller may:

(1) designate or create a fund or account in the treasury for the deposit of federal money and any interest or other earnings on the federal money; or

(2) merge, consolidate, or segregate funds or accounts or money deposited to funds or accounts.

(c) This section prevails over other general law that provides for money received from the federal government, or earnings on money received from the federal government, to be deposited to the credit of the general revenue fund. To the extent of any other conflict between this section and other law, this section controls.

SECTION 2. Same as introduced version.