

By: Leach

H.B. No. 613

A BILL TO BE ENTITLED

AN ACT

relating to limitations on the rate of growth of appropriations for certain categories of spending.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 316, Government Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. ADDITIONAL LIMIT ON GROWTH OF APPROPRIATIONS FROM STATE FUNDS

Sec. 316.0101. LIMIT. In a state fiscal biennium, the rate of growth of appropriations from all sources of revenue other than the federal government may not exceed a rate determined as provided under Section 316.0102(a) for each of the following categories of spending:

- (1) transportation;
- (2) public primary and secondary education;
- (3) higher education;
- (4) health care;
- (5) public safety and corrections; and
- (6) other general government.

Sec. 316.0102. DUTIES OF LEGISLATIVE BUDGET BOARD.

(a) Before the Legislative Budget Board transmits the budget as prescribed by Section 322.008(c), the board shall establish a limit on the rate of growth of appropriations from all sources of revenue other than the federal government from one state fiscal biennium to

1 the next state fiscal biennium for each spending category described  
2 by Section 316.0101 by subtracting one from the product of:

3 (1) the sum of one and the estimated rate of growth in  
4 the population served by expenditures in that spending category  
5 during the next state fiscal biennium; and

6 (2) the sum of one and the estimated rate of inflation  
7 in a representative set of goods and services for which  
8 appropriations are made for that spending category during the next  
9 state fiscal biennium.

10 (b) The board shall estimate the rates described by  
11 Subsection (a) based on information available from the United  
12 States Census Bureau and the Bureau of Labor Statistics of the  
13 United States Department of Labor.

14 (c) Except as provided by Subsection (d) and subject to  
15 Subsection (g), the board shall establish the amount of  
16 appropriations from all sources of revenue other than the federal  
17 government available for the next state fiscal biennium for each  
18 spending category described by Section 316.0101 by multiplying the  
19 amount of appropriations for each spending category for the current  
20 state fiscal biennium by the sum of one and the limit on the rate of  
21 growth of appropriations for that spending category determined by  
22 the board under Subsection (a).

23 (d) If the rate determined under Subsection (a) for any  
24 spending category described by Section 316.0101 is a negative  
25 number, the amount of appropriations from all sources of revenue  
26 other than the federal government available for the next state  
27 fiscal biennium for that spending category is the same as the amount

1 of those appropriations for the current state fiscal biennium.

2 (e) To ensure compliance with this subchapter, the board may  
3 not transmit in any form to the governor or the legislature the  
4 budget as prescribed by Section 322.008(c) or the general  
5 appropriations bill as prescribed by Section 322.008(d) until the  
6 board adopts the limit on the rate of growth of appropriations from  
7 all sources of revenue other than the federal government for the  
8 next state fiscal biennium for each spending category described by  
9 Section 316.0101.

10 (f) In the absence of an action by the board to adopt the  
11 limits required under Subsection (a), the amount of appropriations  
12 from all sources of revenue other than the federal government  
13 available for the next state fiscal biennium for each spending  
14 category described by Section 316.0101 is the same as the amount of  
15 those appropriations for the current state fiscal biennium.

16 (g) Notwithstanding any other law, for purposes of  
17 calculations used to establish, in regard to a spending category  
18 described by Section 316.0101, the limit on the rate of growth of  
19 appropriations under Subsection (a) and the amount of  
20 appropriations available for the next state fiscal biennium under  
21 Subsection (c), if the legislature by law exempts an appropriation  
22 from the application of this subchapter for the next state fiscal  
23 biennium, the board shall exclude current or previous  
24 appropriations that, as determined by the board, are of a nature  
25 similar to the exempted appropriation as if those similar  
26 appropriations also had been exempted by law.

27 Sec. 316.0103. PUBLICATION. Before the Legislative Budget

1 Board approves the items of information required by Section  
2 316.0102, the board shall publish in the Texas Register the  
3 proposed items of information and a description of the methodology  
4 and sources used in the calculations.

5 Sec. 316.0104. PUBLIC HEARING. Not later than December 1 of  
6 each even-numbered year, the Legislative Budget Board shall hold a  
7 public hearing to solicit testimony regarding the proposed items of  
8 information and the methodology used in making the calculations  
9 required by Section 316.0102.

10 Sec. 316.0105. LIMIT ON BUDGET RECOMMENDATIONS. Unless  
11 authorized by majority vote of the members of the Legislative  
12 Budget Board from each house, the board's budget recommendations  
13 relating to appropriations from all sources of revenue other than  
14 the federal government for the next state fiscal biennium for each  
15 spending category described by Section 316.0101 may not exceed the  
16 amount of appropriations established for that spending category  
17 under Section 316.0102(c).

18 Sec. 316.0106. INCLUSION IN BUDGET RECOMMENDATIONS. The  
19 Legislative Budget Board shall include in its budget  
20 recommendations, for each spending category described by Section  
21 316.0101:

22 (1) the limit on the rate of growth of appropriations  
23 from all sources of revenue other than the federal government for  
24 that spending category for the next state fiscal biennium, as  
25 determined under Section 316.0102(a); and

26 (2) the amount of appropriations from all sources of  
27 revenue other than the federal government available for that

1 spending category for the next state fiscal biennium, as determined  
2 under Section 316.0102(c).

3 Sec. 316.0107. EFFECT OF LIMIT; ENFORCEMENT. (a) The  
4 proposed limit on appropriations from all sources of revenue other  
5 than the federal government for each spending category described by  
6 Section 316.0101 is binding on the legislature with respect to  
7 those appropriations for the next state fiscal biennium unless the  
8 legislature adopts a resolution raising the proposed limit that is  
9 approved by a record vote of a majority of the members of each house  
10 of the legislature. The resolution must find that an emergency  
11 exists, identify the nature of the emergency, and specify the  
12 amount authorized. The excess authorized under this subsection may  
13 not exceed the amount specified in the resolution.

14 (b) The rules of the house of representatives and senate  
15 shall provide for enforcement of Subsection (a).

16 SECTION 2. The changes in law made by this Act apply only,  
17 as applicable, in relation to appropriations made for the state  
18 fiscal biennium beginning September 1, 2019, and subsequent state  
19 fiscal bienniums. Appropriations for the state fiscal biennium  
20 that begins September 1, 2017, are governed by the law in effect at  
21 the time those appropriations were made, and the former law is  
22 continued in effect for that purpose.

23 SECTION 3. This Act takes effect September 1, 2017.