

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 19, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3849 by Zerwas (relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3849, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2019.

The bill would result in an increase of \$668,140,000 in amounts available for certification of the 2018-19 General Appropriations Act, associated with the repeal of an exemption of certain General Revenue-Dedicated account balances from being available for that purpose.

Any other net gains or losses from the re-creation of existing funds or accounts as exempted in this bill are dependent upon the passage of another act of the Eighty-fifth Legislature, Regular Session, 2017, and are dependent upon appropriations made in the 2018-19 General Appropriations Act.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Certification Gain/Loss from Various General Revenue-Dedicated Accounts
2018	\$668,140,000
2019	\$0
2020	\$0
2021	\$0
2022	\$0

Fiscal Analysis

The bill would abolish all funds, accounts, and revenue dedications created or recreated by the 85th Legislature, Regular Session (2017), unless specifically exempted under separate sections of this bill.

Any funds, accounts, or revenue dedications abolished under this bill would be deposited to the credit of the unobligated portion of the General Revenue Fund.

The bill would define the state agencies to which this bill would apply; and it would provide for the abolition of new or re-created funds, accounts, and revenue dedications, unless they were specifically exempted in the bill.

The bill would exempt dedications, funds, and accounts that were enacted before the 85th Legislature convened to comply with the State Constitution or federal law, or that remained exempt from the abolishment and removal of dedication provisions of the former Section 403.094(h) of the Government Code, and increases in existing fees or in other revenue that were previously dedicated or required to be deposited in a fund or account exempted prior to the 85th Legislature, Regular Session (2017).

Federal funds, created by the 85th Legislature, Regular Session (2017), for which separate accounting is required by federal law, would be exempt. Those funds would be deposited into accounts within the General Revenue Fund, unless otherwise required by federal law.

The bill would exempt all trust funds and bond funds created by the 85th Legislature, Regular Session (2017), except that the funds would have to be held in the State Treasury, with the Comptroller in trust, or outside the State Treasury with the Comptroller's approval.

The bill would exempt funds or accounts created or re-created or revenue dedicated or rededicated under a constitutional amendment proposed by an act of the 85th Legislature, Regular Session (2017), if approved by the voters.

The bill would exempt newly authorized uses of a dedicated fund or dedicated account as provided by an Act of the 85th Legislature, Regular Session, 2017, to the extent the fund or account was exempted from funds consolidation before January 1, 2017, and the newly authorized use is within the scope of the original dedication of the fund or account.

The bill would amend Sections 403.095(b), (d) and (f) of the Government Code to allow the Comptroller as directed by the Legislature, to make reductions in dedicated accounts in the amounts by which estimated revenues and unobligated balances exceeded appropriations following certification of all appropriations enacted by the 85th Legislature. Dedicated revenues

exceeding amounts appropriated by the 85th Legislature would be available for certification through August 31, 2019. Funds outside of the State Treasury, trust funds, funds created by the State Constitution or a court, funds for which separate accounting is required by federal law, and other specified funds would be exempt from this section. These provisions would expire September 1, 2019.

The bill would repeal Section 403.095(e) of the Government Code, which exempted certain General Revenue-Dedicated accounts and the separate current account of each institution of higher education in the General Revenue Fund from the provisions of Section 403.095. Exempted accounts or fund include:

- (1) GR-D Account 36 - the Texas Department of Insurance Operating Account;
- (2) GR-D Account 544 - Lifetime License Endowment Account No. 544;
- (3) GR-D Account 5044-Permanent Fund for Health and Tobacco Education and Enforcement;
- (4) GR-D Account 5045-Permanent Fund for Children and Public Health;
- (5) GR-D Account 5046-Permanent Fund for Emergency Medical Services and Trauma Care;
- (6) GR-D Account 5047-Permanent Hospital Fund for Rural Health Facility Capital Improvement;
- (7) GR-D Account 5048-Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease;
- (8) GR-D Account 5084-Child Abuse and Neglect Prevention Operating;
- (9) GR-D Account 5085-Child Abuse and Neglect Prevention Trust; and
- (10) the separate current account of each institution of higher education in the General Revenue Fund.

As a result, the unexpended balances in these accounts were not available for certification of General Revenue appropriations for the 2016-17 Biennium. The repeal of Section 403.095(e) makes these account balances subject to Section 403.095 and available for certification of General Revenue appropriations for the 2018-19 Biennium.

The bill would re-establish the Cancer Prevention and Research Interest and Sinking Fund (CPRISF) in accordance with Section 102.270, Health and Safety Code, as if the CPRISF had not been abolished by HB 6, 83rd Legislature, Regular Session (2013). All revenue that had been dedicated to that account by Section 102.270, Health and Safety Code, would be rededicated for that purpose.

The following funds, accounts, and dedications of revenue would be exempt from abolition by this bill if created or re-created by Acts of the 85th Legislature, Regular Session (2017):

- (1) CPRISF and dedication of revenue to this fund made by Section 10(a) of this bill;
- (2) National Museum of the Pacific War Museum Fund and dedication of revenue contained in the legislation creating the fund;
- (3) Alamo Complex Account or any dedication of revenue made to such an account;
- (4) Dedication of revenue to the Water Resource Management Account.

In addition, the bill would exempt from abolishment a fund or account created or re-created, or a dedication or re-dedication of revenue collected by a state agency for a particular purpose by the following Acts of the 85th Legislature that become law:

- (1) House Bill No. 7 or similar legislation;
- (2) House Bill No. 51 or similar legislation;
- (3) House Bill No. 108 or similar legislation;
- (4) House Bill No. 245 or similar legislation;
- (5) House Bill No. 263 or similar legislation;

- (6) House Bill No. 271 or similar legislation;
- (7) House Bill No. 555 or similar legislation;
- (8) House Bill No. 561 or similar legislation;
- (9) House Bill No. 572 or similar legislation;
- (10) House Bill No. 935 or similar legislation;
- (11) House Bill No. 1256 or similar legislation;
- (12) House Bill No. 1407 or similar legislation;
- (13) House Bill No. 1512 or similar legislation;
- (14) House Bill No. 1691 or similar legislation;
- (15) House Bill No. 1724 or similar legislation;
- (16) House Bill No. 1729 or similar legislation;
- (17) House Bill No. 1818 or similar legislation;
- (18) House Bill No. 2004 or similar legislation;
- (19) House Bill No. 2068 or similar legislation;
- (20) House Bill No. 2578 or similar legislation;
- (21) House Bill No. 2612 or similar legislation;
- (22) House Bill No. 2700 or similar legislation;
- (23) House Bill No. 2715 or similar legislation;
- (24) House Bill No. 2943 or similar legislation;
- (25) House Bill No. 3391 or similar legislation;
- (26) House Bill No. 3438 or similar legislation;
- (27) House Bill No. 3521 or similar legislation;
- (28) House Bill No. 3567 or similar legislation;
- (29) House Bill No. 3781 or similar legislation;
- (30) House Bill No. 3849 or similar legislation;
- (31) House Bill No. 3952 or similar legislation;
- (32) House Bill No. 3987 or similar legislation;
- (33) House Bill No. 4102 or similar legislation;
- (34) House Bill No. 4117 or similar legislation;
- (35) Senate Bill No. 3 or similar legislation;
- (36) Senate Bill No. 4 or similar legislation;
- (37) Senate Bill No. 6 or similar legislation;
- (38) Senate Bill No. 26 or similar legislation;
- (39) Senate Bill No. 28 or similar legislation;
- (40) Senate Bill No. 42 or similar legislation;
- (41) Senate Bill No. 208 or similar legislation;
- (42) Senate Bill No. 267 or similar legislation;
- (43) Senate Bill No. 298 or similar legislation;
- (44) Senate Bill No. 312 or similar legislation;
- (45) Senate Bill No. 576 or similar legislation;
- (46) Senate Bill No. 602 or similar legislation;
- (47) Senate Bill No. 634 or similar legislation;
- (48) Senate Bill No. 722 or similar legislation;
- (49) Senate Bill No. 1001 or similar legislation;
- (50) Senate Bill No. 1105 or similar legislation;
- (51) Senate Bill No. 1147 or similar legislation;
- (52) Senate Bill No. 1185 or similar legislation;
- (53) Senate Bill No. 1251 or similar legislation;
- (54) Senate Bill No. 1305 or similar legislation;
- (55) Senate Bill No. 1330 or similar legislation;
- (56) Senate Bill No. 1349 or similar legislation;
- (57) Senate Bill No. 1383 or similar legislation;

- (58) Senate Bill No. 1422 or similar legislation;
- (59) Senate Bill No. 1483 or similar legislation;
- (60) Senate Bill No. 1484 or similar legislation;
- (61) Senate Bill No. 1516 or similar legislation;
- (62) Senate Bill No. 1524 or similar legislation;
- (63) Senate Bill No. 1538 or similar legislation;
- (64) Senate Bill No. 1588 or similar legislation;
- (65) Senate Bill No. 1658 or similar legislation;
- (66) Senate Bill No. 1849 or similar legislation;
- (67) Senate Bill No. 1923 or similar legislation;
- (68) Senate Bill No. 2075 or similar legislation; and
- (69) Senate Bill No. 2076 or similar legislation.

Finally, the provisions of this bill would prevail over any other act of the 85th Legislature, Regular Session, 2017, regardless of the date of enactment purporting to dedicate or rededicate a fund, account, or revenue in the State Treasury, or amending Section 403.095 of the Government Code.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority vote in both houses of the Legislature. Otherwise, it would take effect on the 91st day after the last day of the legislative session.

Methodology

This bill has various fiscal effects, some of which may be estimated at this time and others which cannot because they are dependent on the passage of other bills and appropriation decisions by the Eighty-fifth Legislature.

Bill provisions that would repeal Government Code, Section 403.095(b), which provides for the exemption of select General Revenue-Dedicated accounts from provisions in Section 403.095, would increase the amount of funds available for general purpose spending in the 2018-19 biennium by \$668.1 million. This estimated fiscal impact is based on the fiscal year 2017 ending balances for the affected accounts as reported in the Biennial Revenue Estimate for the 2018-19 biennium and does not reflect appropriation decisions by the Eighty-fifth Legislature that affect these account balances.

Finally, the fiscal impact relating to other funds, accounts, and revenue dedications that would be abolished and become part of the General Revenue Fund cannot be determined at this time. Similarly, any net gain or loss from the re-creation of existing funds or accounts as exempted in this bill are dependent upon the passage of another act of the Eighty-fifth Legislature and appropriation decisions and cannot be determined at this time.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, JJ, ZS, PM