

BILL ANALYSIS

Senate Research Center
86R9902 SRA-D

S.B. 2179
By: Nelson
Finance
4/17/2019
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Provides that funds, accounts, and dedications established by bills passed by the 86th Legislature become part of the general revenue fund unless they are exempted in this bill.

As proposed, S.B. 2179 amends current law relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue and allocation of accrued interest on dedicated revenue, and the exemption of unappropriated money from use for general governmental purposes.

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. DEFINITION. Defines "state agency" in any provision of this Act that does not amend current law.

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. Provides that, except as otherwise specifically provided by this Act, all funds and accounts created or re-created by an Act of the 86th Legislature, Regular Session, 2019, that becomes law and all dedications or rededications of revenue collected by a state agency for a particular purpose by an Act of the 86th Legislature, Regular Session, 2019, that becomes law are abolished on the later of August 31, 2019, or the date the Act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect.

SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND ACCOUNTS. Provides that Section 2 of this Act does not apply to:

- (1) statutory dedications, funds, and accounts that were enacted before the 86th Legislature convened to comply with requirements of state constitutional or federal law;
- (2) dedications, funds, or accounts that remained exempt from former Section 403.094(h), Government Code, at the time dedications, accounts, and funds were abolished under that provision;
- (3) increases in fees or in other revenue dedicated as described by this section; or
- (4) increases in fees or in other revenue required to be deposited in a fund or account described by this section.

SECTION 4. FEDERAL FUNDS. Provides that Section 2 of this Act does not apply to funds created under an Act of the 86th Legislature, Regular Session, 2019, for which separate accounting is required by federal law, except that the funds are required to be deposited in accounts in the general revenue fund unless otherwise required by federal law.

SECTION 5. TRUST FUNDS. Provides that Section 2 of this Act does not apply to trust funds or dedicated revenue deposited to trust funds created under an Act of the 86th Legislature, Regular Session, 2019, except that the trust funds are required to be held in the state treasury, with the comptroller of public accounts of the State of Texas (comptroller) in trust, or outside the state treasury with the comptroller's approval.

SECTION 6. BOND FUNDS. Provides that Section 2 of this Act does not apply to bond funds and pledged funds created or affected by an Act of the 86th Legislature, Regular Session, 2019, except that the funds are required to be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 7. CONSTITUTIONAL FUNDS. Provides that Section 2 of this Act does not apply to funds or accounts that would be created or re-created by the Texas Constitution or revenue that would be dedicated or rededicated by the Texas Constitution under a constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, or to dedicated revenue deposited to funds or accounts that would be so created or re-created, if the constitutional amendment is approved by the voters.

SECTION 8. ADDITIONAL USES FOR DEDICATED FUNDS OR ACCOUNTS. Provides that Section 2 of this Act does not apply to a newly authorized use of a dedicated fund or dedicated account as provided by an Act of the 86th Legislature, Regular Session, 2019, to the extent:

- (1) the fund or account was exempted from abolition by an Act of the legislature that became law before January 1, 2019; and
- (2) the newly authorized use is within the scope of the original dedication of the fund or account.

SECTION 9. REALLOCATION OF INTEREST ACCRUED ON CERTAIN DEDICATED REVENUE. Provides that effective September 1, 2019, Section 403.0956, Government Code, is reenacted to read as follows:

Sec. 403.0956. REALLOCATION OF INTEREST ACCRUED ON CERTAIN DEDICATED REVENUE. Provides that notwithstanding any other law, all interest or other earnings that accrue on all revenue held in an account in the general revenue fund any part of which Section 403.095 (Use of Dedicated Revenue) makes available for certification under Section 403.121 (Contents of Estimate) are available for any general governmental purpose, and the comptroller is required to deposit the interest and earnings to the credit of the general revenue fund. Provides that this section does not apply to:

- (1) interest or earnings on revenue deposited in accordance with Section 51.008 (Certain Receipts to be Deposited in State Treasury), Education Code;
- (2) an account that accrues interest or other earnings on deposits of state or federal money the diversion of which is specifically excluded by federal law;
- (3) the lifetime license endowment account;
- (4) the game, fish, and water safety account;
- (5) the coastal protection account;
- (6) the Alamo complex account; or
- (7) the artificial reef account.

SECTION 10. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. Provides that effective September 1, 2019, Sections 403.095(b), (d), and (f), Government Code, are amended to read as follows:

(b) Provides that, notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues that on August 31, 2021, rather than August 31, 2019, are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 86th Legislature, rather than the 85th Legislature, are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121 (Contents of Estimate).

(d) Makes a conforming change.

(f) Provides that this section expires September 1, 2021, rather than September 1, 2019.

SECTION 11. AMENDMENT OF SECTION 504.6012, TRANSPORTATION CODE. Provides that effective September 1, 2019, Section 504.6012, Transportation Code, is amended to read as follows:

Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS; REVENUES IN TRUST. (a) Requires the comptroller, notwithstanding any other law, not later than September 30, 2019, rather than September 30, 2015, to eliminate all dedicated accounts established for specialty license plates and to set aside the balances of those dedicated accounts so that the balances may be appropriated only for the purposes intended as provided by the dedications.

(b) Requires the portion of a fee payable that is designated for deposit to a dedicated account, on and after September 1, 2019, rather than September 1, 2015, to be paid instead to the credit of an account in a trust fund created by the comptroller outside the general revenue fund.

SECTION 12. EFFECT OF ACT. (a) Provides that this Act prevails over any other Act of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment, that purports to create or re-create a special fund or account or to dedicate or rededicate revenue to a particular purpose, including any fund, account, or revenue dedication abolished under former Section 403.094, Government Code.

(b) Provides that an exemption from the application of Section 403.095 (Use of Dedicated Revenue), Government Code, contained in another Act of the 86th Legislature, Regular Session, 2019, that is exempted from the application of Section 2 of this Act has no effect.

(c) Provides that revenue that, under the terms of another Act of the 86th Legislature, Regular Session, 2019, would be deposited to the credit of a special account or fund is required to be deposited to the credit of the undedicated portion of the general revenue fund unless the fund, account, or dedication is exempted under this Act.

SECTION 13. Effective date, except as otherwise provided by this Act: upon passage or the 91st day after the last day of the legislative session.