By:  Zerwas (Senate Sponsor - Nelson) H.B. No. 3317

(In the Senate - Received from the House April 23, 2019; April 24, 2019, read first time and referred to Committee on Finance; May 19, 2019, reported adversely, with favorable Committee Substitute by the following vote: Yeas 14, Nays 0; May 19, 2019, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Nelson               X

Hinojosa             X

Bettencourt          X

Birdwell             X

Campbell             X

Flores               X

Hancock              X

Huffman              X

Kolkhorst            X

Nichols              X

Perry                X

Taylor               X

Watson               X

West                 X

Whitmire                       X

COMMITTEE SUBSTITUTE FOR H.B. No. 3317 By:  Nelson

A BILL TO BE ENTITLED

AN ACT

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.

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

SECTION 1.  DEFINITION. In any provision of this Act that does not amend current law, "state agency" means an office, institution, or other agency that is in the executive branch or the judicial branch of state government, has authority that is not limited to a geographical portion of the state, and was created by the constitution or a statute of this state. The term does not include an institution of higher education as defined by Section 61.003, Education Code.

SECTION 2.  ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. 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. 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. 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 shall be deposited in accounts in the general revenue fund unless otherwise required by federal law.

SECTION 5.  TRUST FUNDS. 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 shall be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 6.  BOND FUNDS. 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 shall 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. 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. 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.  COMMERCIAL SEXUAL EXPLOITATION VICTIM FUND; DEDICATION OF REVENUE. Section 2 of this Act does not apply to the commercial sexual exploitation victim fund, created as a dedicated account in the general revenue fund by Article 102.023, Code of Criminal Procedure, as added by House Bill No. 3206 or similar legislation of the 86th Legislature, Regular Session, 2019, that becomes law, and does not apply to the dedication of revenue to that account as provided by that legislation.

SECTION 10.  TEXAS B-ON-TIME STUDENT LOAN ACCOUNT. (a) Section 56.0092(d), Education Code, is amended to read as follows:

(d)  On September 1, 2024 [~~2020~~], the Texas B-On-time student loan account is abolished, and any remaining money in the account may be appropriated only to eligible institutions in the manner provided by Subsection (e).

(b)  Section 2 of this Act does not apply to the dedication of money in the Texas B-On-time student loan account as rededicated by this Act.

SECTION 11.  ACCOUNTS IN GENERAL REVENUE FUND. Effective on the later of the effective date of the Act creating or re-creating the specified account or August 31, 2019, the following accounts, the revenue deposited to the credit of those accounts, and the revenue dedicated for deposit to the credit of those accounts, are exempt from Section 2 of this Act and the accounts are created or re-created in the general revenue fund, if created or re-created by an Act of the 86th Legislature, Regular Session, 2019, that becomes law:

(1)  the identification fee exemption account, created as an account in the general revenue fund by House Bill No. 123 or similar legislation;

(2)  the newborn screening preservation account, created as an account in the general revenue fund by House Bill No. 1111, Senate Bill No. 748, or similar legislation;

(3)  the cultivated oyster mariculture cleanup subaccount in the game, fish, and water safety account, created as a subaccount by House Bill No. 1300 or similar legislation;

(4)  the state hemp production account, created as an account in the general revenue fund by House Bill No. 1325 or similar legislation;

(5)  the disaster recovery loan account, created as an account in the general revenue fund by House Bill No. 2300 or similar legislation;

(6)  the Texas music incubator account, created as an account in the general revenue fund by House Bill No. 2806 or similar legislation;

(7)  the border security infrastructure enhancement fund, created as an account in the general revenue fund by House Bill No. 4306 or similar legislation;

(8)  the historic site account, re-created as an account in the general revenue fund by Senate Bill No. 26 or similar legislation;

(9)  the specialty court account, the DNA testing account, and the transportation administrative fee account, created as accounts in the general revenue fund by Senate Bill No. 346 or similar legislation;

(10)  the safety training account, created as an account in the general revenue fund by Senate Bill No. 568 or similar legislation;

(11)  the veterans treatment court account, created as an account in the general revenue fund by Senate Bill No. 1180 or similar legislation; and

(12)  the coastal erosion response account, re-created as an account in the general revenue fund by Senate Bill No. 1719 or similar legislation.

SECTION 12.  SEPARATE FUNDS. Effective on the later of the effective date of the Act creating or re-creating the specified fund or August 31, 2019, the following funds, if created or re-created by an Act of the 86th Legislature, Regular Session, 2019, the revenue deposited to the funds, and the revenue dedicated for deposit to the funds, are exempt from Section 2 of this Act, and the funds are created or re-created as separate funds inside or outside of the state treasury, as specified by the Act creating or re-creating the fund:

(1)  the flood infrastructure fund, created as a special fund in the treasury by House Bill No. 13 or similar legislation;

(2)  the pesticide disposal fund, created as a special fund in the treasury by House Bill No. 191 or similar legislation;

(3)  the disaster reinvestment and infrastructure planning revolving fund, created as a special fund outside of the treasury by House Bill No. 274 or similar legislation;

(4)  the cannabis testing and quality control fund, created as provided by House Bill No. 1365 or similar legislation;

(5)  the dedicated account in the general revenue fund for proceeds from the sale of certain historic property, created by House Bill No. 1422 or similar legislation;

(6)  the Texas-bred incentive fund, created as an escrow account in the treasury by House Bill No. 3366 or similar legislation;

(7)  the Texas emissions reduction plan fund, created as a trust fund outside the treasury to be held by the comptroller and administered by the Texas Commission on Environmental Quality as trustee by House Bill No. 3745 or similar legislation;

(8)  the Texas innovation fund and state agency technology upgrades account, created as special funds outside of the treasury by House Bill No. 4214 or similar legislation;

(9)  the flood infrastructure fund, created as a special fund in the treasury by Senate Bill No. 7 or similar legislation;

(10)  the Texas leverage fund, created as a trust fund held outside the treasury by the comptroller as trustee by Senate Bill No. 132 or similar legislation;

(11)  the jury service fund, created as a fund in the treasury by Senate Bill No. 346 or similar legislation; and

(12)  the charter school liquidation fund, created as provided by Senate Bill No. 1454 or similar legislation.

SECTION 13.  REVENUE DEDICATIONS. Effective on the later of the effective date of the Act dedicating or rededicating the specified revenue or August 31, 2019, the following dedications or rededications of revenue collected for a particular purpose are exempt from Section 2 of this Act, if dedicated or rededicated by an Act of the 86th Legislature, Regular Session, 2019:

(1)  the dedication of certain tax revenue to the drug court account provided by House Bill No. 1243 or similar legislation;

(2)  the dedication of certain fee revenue to the Texas Department of Motor Vehicles fund provided by House Bill No. 1548 or similar legislation;

(3)  the dedication of revenue to the state highway fund provided by House Bill No. 1649 or similar legislation;

(4)  the dedication of certain fee revenue to the Texas Department of Motor Vehicles fund provided by House Bill No. 1711 or similar legislation;

(5)  the dedication of certain administrative penalty revenue to the sexual assault program fund provided by House Bill No. 1735 or similar legislation;

(6)  the dedication of revenue to the state lottery account provided by House Bill No. 1790 or similar legislation;

(7)  the dedication of certain assessment revenue to the account with the Texas Treasury Safekeeping Trust Company provided by House Bill No. 1880 or similar legislation;

(8)  the dedication of certain revenue to the Texas Racing Commission account in the general revenue fund provided by House Bill No. 1995 or similar legislation;

(9)  the dedication of certain administrative penalty revenue to the freestanding emergency medical care facility licensing fund provided by House Bill No. 2041 or similar legislation;

(10)  the dedication of grants or donations to the state highway fund provided by House Bill No. 2043 or similar legislation;

(11)  the dedication of certain revenue to the designated trauma facility and emergency medical services account provided by House Bill No. 2048 or similar legislation;

(12)  the dedication of fee revenue to the Texas mobility fund provided by House Bill No. 2478 or similar legislation;

(13)  the dedication of revenue provided by House Bill No. 2587 or similar legislation;

(14)  the dedication of certain fee revenue to the Texas Department of Motor Vehicles fund provided by House Bill No. 2620 or similar legislation;

(15)  the dedication of revenue to the Texas water resources fund provided by House Bill No. 4116 or similar legislation;

(16)  the dedication of revenue to the foundation school fund provided by House Bill No. 4306 or similar legislation;

(17)  the dedication of revenue provided by Senate Bill No. 7 or similar legislation;

(18)  the dedication of revenue provided by Senate Bill No. 26 or similar legislation;

(19)  the dedication of administrative penalty revenue to the sexual assault program fund provided by Senate Bill No. 212 or similar legislation;

(20)  the dedication of gifts, grants, and donations to the motorcycle education fund account provided by Senate Bill No. 616 or similar legislation;

(21)  the dedication of fee revenue to the game, fish, and water safety account provided by Senate Bill No. 733 or similar legislation; and

(22)  the dedication of fee revenue to the food and drug retail fee account provided by Senate Bill No. 932 or similar legislation.

SECTION 14.  REALLOCATION OF INTEREST ACCRUED ON CERTAIN DEDICATED REVENUE. 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. 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 makes available for certification under Section 403.121 are available for any general governmental purpose, and the comptroller shall deposit the interest and earnings to the credit of the general revenue fund. This section does not apply to:

(1)  interest or earnings on revenue deposited in accordance with Section 51.008, 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 15.  AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. Effective September 1, 2019, Sections 403.095(b), (d), and (f), Government Code, are amended to read as follows:

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

(d)  Following certification of the General Appropriations Act and other appropriations measures enacted by the 86th [~~85th~~] Legislature, the comptroller shall reduce each dedicated account as directed by the legislature by an amount that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations. The reductions may be made in the amounts and at the times necessary for cash flow considerations to allow all the dedicated accounts to maintain adequate cash balances to transact routine business. The legislature may authorize, in the General Appropriations Act, the temporary delay of the excess balance reduction required under this subsection. This subsection does not apply to revenues or balances in:

(1)  funds outside the treasury;

(2)  trust funds, which for purposes of this section include funds that may or are required to be used in whole or in part for the acquisition, development, construction, or maintenance of state and local government infrastructures, recreational facilities, or natural resource conservation facilities;

(3)  funds created by the constitution or a court; or

(4)  funds for which separate accounting is required by federal law.

(f)  This section expires September 1, 2021 [~~2019~~].

SECTION 16.  AMENDMENT OF SECTION 504.6012, TRANSPORTATION CODE. 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) Notwithstanding any other law, not later than September 30, 2019 [~~2015~~], the comptroller shall eliminate all dedicated accounts established for specialty license plates and shall 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)  On and after September 1, 2019 [~~2015~~], the portion of a fee payable that is designated for deposit to a dedicated account shall be paid instead to the credit of an account in a trust fund created by the comptroller outside the general revenue fund. The comptroller shall administer the trust fund and accounts and may allocate the corpus and earnings on each account only in accordance with the dedications of the revenue deposited to the trust fund accounts.

SECTION 17.  STRATEGIC MAPPING ACCOUNT. (a) Section 16.023, Water Code, as added by Section 2.13, Chapter 1430 (S.B. 3), Acts of the 80th Legislature, Regular Session, 2007, is reenacted to read as follows:

Sec. 16.023.  STRATEGIC MAPPING ACCOUNT. (a) The strategic mapping account is an account in the general revenue fund. The account consists of:

(1)  money directly appropriated to the board;

(2)  money transferred by the board from other funds available to the board;

(3)  money from gifts or grants from the United States government, state, regional, or local governments, educational institutions, private sources, or other sources;

(4)  proceeds from the sale of maps, data, publications, and other items; and

(5)  interest earned on the investment of money in the account and depository interest allocable to the account.

(b)  The account may be appropriated only to the board to:

(1)  develop, administer, and implement the strategic mapping program;

(2)  provide grants to political subdivisions for projects related to the development, use, and dissemination of digital, geospatial information; and

(3)  administer, implement, and operate other programs of the Texas Natural Resources Information System, including:

(A)  the operation of a Texas-Mexico border region information center for the purpose of implementing Section 16.021(e)(5);

(B)  the acquisition, storage, and distribution of historical maps, photographs, and paper map products;

(C)  the maintenance and enhancement of information technology; and

(D)  the production, storage, and distribution of other digital base maps, as determined by the executive administrator.

(c)  The board may invest, reinvest, and direct the investment of any available money in the fund as provided by law for the investment of money under Section 404.024, Government Code.

(b)  The strategic mapping account is re-created by this Act as an account in the general revenue fund, and all revenue dedicated for deposit to the credit of the strategic mapping account is rededicated by this Act for that purpose. Section 2 of this Act does not apply to the account as re-created by this Act or a dedication of revenue to the account as rededicated by this Act.

SECTION 18.  EFFECT OF ACT. (a) 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)  An exemption from the application of Section 403.095, 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)  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 shall 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 19.  EFFECTIVE DATE. Except as otherwise provided by this Act:

(1)  this Act takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2)  if this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.

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