

1-1 By: Hancock, et al. S.B. No. 1891  
 1-2 (In the Senate - Filed March 7, 2019; March 18, 2019, read  
 1-3 first time and referred to Committee on Finance; April 3, 2019,  
 1-4 reported favorably by the following vote: Yeas 12, Nays 3;  
 1-5 April 3, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Hinojosa	X			
1-9 Bettencourt	X			
1-10 Birdwell	X			
1-11 Campbell	X			
1-12 Flores	X			
1-13 Hancock	X			
1-14 Huffman	X			
1-15 Kolthorst	X			
1-16 Nichols	X			
1-17 Perry	X			
1-18 Taylor	X			
1-19 Watson		X		
1-20 West		X		
1-21 Whitmire		X		

1-23 A BILL TO BE ENTITLED  
 1-24 AN ACT

1-25 relating to a limit on the rate of growth of certain appropriations.  
 1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-27 SECTION 1. Sections 316.001, 316.002, and 316.006,  
 1-28 Government Code, are amended to read as follows:  
 1-29 Sec. 316.001. LIMIT. (a) For purposes of this subchapter,  
 1-30 "consolidated general revenue appropriations" means appropriations  
 1-31 from:  
 1-32 (1) the general revenue fund in the state treasury;  
 1-33 (2) a dedicated account in the general revenue fund in  
 1-34 the state treasury; or  
 1-35 (3) a general revenue-related fund in the state  
 1-36 treasury as identified in the biennial statement required of the  
 1-37 comptroller under Section 49a, Article III, Texas Constitution.  
 1-38 (b) The rate of growth of appropriations in a state fiscal  
 1-39 biennium from state tax revenues not dedicated by the constitution  
 1-40 may not exceed the estimated rate of growth of the state's economy.  
 1-41 (c) The rate of growth of consolidated general revenue  
 1-42 appropriations in a state fiscal biennium may not exceed the  
 1-43 estimated average biennial rate of growth of this state's  
 1-44 population during the state fiscal biennium preceding the biennium  
 1-45 for which appropriations are made and during the state fiscal  
 1-46 biennium for which appropriations are made, adjusted by the  
 1-47 estimated average biennial rate of monetary inflation in this state  
 1-48 during the same period, as determined under Section 316.002.  
 1-49 (d) For purposes of this subchapter, the following  
 1-50 appropriations must be excluded from computations used to determine  
 1-51 whether appropriations exceed the amount authorized by Subsection  
 1-52 (c):  
 1-53 (1) an appropriation to pay for a rebate of state  
 1-54 taxes;  
 1-55 (2) an appropriation for a purpose that provides tax  
 1-56 relief; or  
 1-57 (3) an appropriation to pay costs associated with  
 1-58 natural disaster recovery.  
 1-59 (e) The Legislative Budget Board shall determine the rates  
 1-60 described by Subsection (c) using the most recent information  
 1-61 available from sources the board considers reliable, including the

2-1 United States Bureau of Labor Statistics Consumer Price Index and  
 2-2 the Texas Demographic Center.

2-3 Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD.

2-4 (a) Before the Legislative Budget Board ~~transmits~~ [submits] the  
 2-5 budget for the next state fiscal biennium as prescribed by Section  
 2-6 322.008(c), the board shall establish:

2-7 (1) the limit on the rate of growth of appropriations  
 2-8 from state tax revenues not dedicated by the constitution for that  
 2-9 state fiscal biennium, as compared to the previous state fiscal  
 2-10 biennium, based on the estimated rate of growth of the state's  
 2-11 economy from the current state fiscal biennium to the next state  
 2-12 fiscal biennium; and

2-13 (2) the limit on the rate of growth of consolidated  
 2-14 general revenue appropriations for that state fiscal biennium, as  
 2-15 compared to the previous state fiscal biennium, by subtracting one  
 2-16 from the product of:

2-17 (A) the sum of one and the estimated average  
 2-18 biennial rate of growth of this state's population during the state  
 2-19 fiscal biennium preceding the biennium for which appropriations are  
 2-20 made and during the state fiscal biennium for which appropriations  
 2-21 are made; and

2-22 (B) the sum of one and the estimated average  
 2-23 biennial rate of monetary inflation during the state fiscal  
 2-24 biennium preceding the biennium for which appropriations are made  
 2-25 and during the state fiscal biennium for which appropriations are  
 2-26 made [the level of appropriations for the current biennium from  
 2-27 state tax revenues not dedicated by the constitution; and

2-28 [~~(3) the amount of state tax revenues not dedicated by~~  
 2-29 ~~the constitution that could be appropriated for the next biennium~~  
 2-30 ~~within the limit established by the estimated rate of growth of the~~  
 2-31 ~~state's economy].~~

2-32 (b) Except as provided by Subsection (c), the board shall  
 2-33 determine the estimated rate of growth of the state's economy for  
 2-34 purposes of Subsection (a)(1) by dividing the estimated Texas total  
 2-35 personal income for the next state fiscal biennium by the estimated  
 2-36 Texas total personal income for the current state fiscal biennium.  
 2-37 Using standard statistical methods, the board shall make the  
 2-38 estimate by projecting through the biennium the estimated Texas  
 2-39 total personal income reported by the United States Department of  
 2-40 Commerce or its successor in function.

2-41 (c) If a more comprehensive definition of the rate of growth  
 2-42 of the state's economy is developed and is approved by the committee  
 2-43 established by Section 316.005, the board may use that definition  
 2-44 in calculating the limit on the rate of growth of appropriations  
 2-45 from state tax revenues not dedicated by the constitution under  
 2-46 Subsection (a)(1).

2-47 (d) Except as provided by Subsection (e), the board shall  
 2-48 determine for the next state fiscal biennium a limit on the amount  
 2-49 of:

2-50 (1) appropriations from state tax revenues not  
 2-51 dedicated by the constitution by multiplying the amount of  
 2-52 appropriations from state tax revenues not dedicated by the  
 2-53 constitution for the current state fiscal biennium by the sum of one  
 2-54 and the limit on the rate of growth of appropriations from state tax  
 2-55 revenues not dedicated by the constitution established by the board  
 2-56 under Subsection (a)(1); and

2-57 (2) consolidated general revenue appropriations by  
 2-58 multiplying the amount of consolidated general revenue  
 2-59 appropriations for the current state fiscal biennium by the sum of  
 2-60 one and the limit on the rate of growth of consolidated general  
 2-61 revenue appropriations established by the board under Subsection  
 2-62 (a)(2).

2-63 (e) If the rate determined under Subsection (a)(1) is a  
 2-64 negative number, the amount of appropriations from state tax  
 2-65 revenues not dedicated by the constitution for the next state  
 2-66 fiscal biennium may not exceed the amount of appropriations from  
 2-67 state tax revenues not dedicated by the constitution in the current  
 2-68 state fiscal biennium. If the rate determined under Subsection  
 2-69 (a)(2) is a negative number, the amount of consolidated general

3-1 revenue appropriations for the next state fiscal biennium may not  
 3-2 exceed the amount of consolidated general revenue appropriations in  
 3-3 the current state fiscal biennium.

3-4 (f) To ensure compliance with this subchapter and Section  
 3-5 22, Article VIII, [~~Section 22, of the~~] Texas Constitution, the  
 3-6 Legislative Budget Board may not transmit in any form to the  
 3-7 governor or the legislature the budget as prescribed by Section  
 3-8 322.008(c) or the general appropriations bill as prescribed by  
 3-9 Section 322.008(d) until the board adopts:

3-10 (1) the limit on the rate of growth of appropriations  
 3-11 from state tax revenues not dedicated by the constitution under  
 3-12 Section 316.001(b); and

3-13 (2) the limit on the rate of growth of consolidated  
 3-14 general revenue appropriations under Section 316.001(c) [~~has been~~  
 3-15 adopted as required by this subchapter].

3-16 (g) [~~(e)~~] In the absence of an action by the Legislative  
 3-17 Budget Board to adopt the limits [~~a spending limit~~] as provided by  
 3-18 this section:

3-19 (1) for purposes of Section 316.001(b):

3-20 (A) [~~in Subsections (a) and (b),~~] the estimated  
 3-21 rate of growth of [~~in~~] the state's economy from the current state  
 3-22 fiscal biennium to the next state fiscal biennium shall be treated  
 3-23 as if it were zero; [~~and~~]

3-24 (B) the amount of state tax revenues not  
 3-25 dedicated by the constitution that could be appropriated within the  
 3-26 limit established by the estimated rate of growth of [~~in~~] the  
 3-27 state's economy shall be the same as the amount [~~level~~] of those  
 3-28 appropriations for the current state fiscal biennium; and

3-29 (2) for purposes of Section 316.001(c):

3-30 (A) the estimated average biennial rates of  
 3-31 growth of this state's population and of monetary inflation shall  
 3-32 be treated as if they were zero; and

3-33 (B) the amount of consolidated general revenue  
 3-34 appropriations that could be appropriated within the limit  
 3-35 established by that subsection shall be the same as the amount of  
 3-36 those appropriations for the current state fiscal biennium.

3-37 Sec. 316.006. LIMIT ON BUDGET RECOMMENDATIONS. Unless  
 3-38 authorized by majority vote of the members of the board from each  
 3-39 house, the Legislative Budget Board budget recommendations:

3-40 (1) relating to the proposed appropriations from [~~of~~]  
 3-41 state tax revenues not dedicated by the constitution may not exceed  
 3-42 the limit on appropriations from those sources adopted by the  
 3-43 committee under Section 316.005; and

3-44 (2) relating to the proposed consolidated general  
 3-45 revenue appropriations may not exceed the limit on appropriations  
 3-46 from those sources adopted by the committee under Section 316.005.

3-47 SECTION 2. Section 316.007(a), Government Code, is amended  
 3-48 to read as follows:

3-49 (a) The Legislative Budget Board shall include in its budget  
 3-50 recommendations:

3-51 (1) the proposed limit of appropriations from state  
 3-52 tax revenues not dedicated by the constitution; and

3-53 (2) the proposed limit of consolidated general revenue  
 3-54 appropriations.

3-55 SECTION 3. Section 316.008(a), Government Code, is amended  
 3-56 to read as follows:

3-57 (a) Unless the legislature adopts a resolution under  
 3-58 Section 22, Article VIII, [~~Section 22(b), of the~~] Texas  
 3-59 Constitution, raising the proposed limit on appropriations from  
 3-60 state tax revenues not dedicated by the constitution, the proposed  
 3-61 limit is binding on the legislature with respect to all  
 3-62 appropriations for the next state fiscal biennium made from those  
 3-63 [state tax] revenues [~~not dedicated by the constitution~~]. The  
 3-64 proposed limit on consolidated general revenue appropriations is  
 3-65 binding on the legislature with respect to all appropriations for  
 3-66 the next state fiscal biennium made from those sources unless the  
 3-67 legislature adopts a resolution raising the proposed limit that is  
 3-68 approved by a record vote of three-fifths of the members of each  
 3-69 house of the legislature. The resolution must find that an

4-1 emergency exists, identify the nature of the emergency, and specify  
4-2 the amount authorized. The excess amount authorized under this  
4-3 subsection may not exceed the amount specified in the resolution.

4-4 SECTION 4. The changes in law made by this Act apply only in  
4-5 relation to appropriations made for the state fiscal biennium  
4-6 beginning September 1, 2021, and subsequent state fiscal bienniums.  
4-7 Appropriations for the state fiscal biennium beginning September 1,  
4-8 2019, are governed by Sections [316.001](#), [316.002](#), [316.006](#), [316.007](#),  
4-9 and [316.008](#), Government Code, as those sections existed on  
4-10 September 1, 2018, and the former law is continued in effect for  
4-11 that purpose.

4-12 SECTION 5. This Act takes effect September 1, 2019.

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