

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 8, 2019**

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

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: SJR69** by Paxton (Proposing a constitutional amendment regarding the limitation on the rate of growth of appropriations and the use of surplus state revenue to provide for property tax relief and public school teacher compensation.), **As Introduced**

**No significant fiscal implication to the State is anticipated**, other than the cost of publication.

The cost to the state for publication of the resolution is \$177,289.

The joint resolution would propose a constitutional amendment regarding the use of surplus state revenue to provide for property tax relief and public school teacher compensation.

The joint resolution would define "encumbered general revenue" for the purpose of calculating the unencumbered positive balance of general revenues.

Under current law, 50 percent of the unencumbered positive balance of general revenue on the last day of the preceding state fiscal biennium is transferred to the credit of the Economic Stabilization Fund; the remainder stays in General Revenue Fund and is available for general-purpose spending. The resolution would require the general revenue portion to instead be used in the following manner (1) 25 percent to provide compensation for teachers, counselors, and librarians employed in public schools; and (2) the remainder to provide ad valorem tax relief by reducing school district maintenance and operations ad valorem tax rates.

The *2020-21 Biennial Revenue Estimate* does not project an unencumbered balance available for transfer in the upcoming 2020-21 biennium; therefore, the changes proposed in this resolution would have no revenue implications in the next biennium. In subsequent biennia, if there is an unencumbered balance, this resolution would have a negative fiscal impact as it would reduce the amounts available for general-purpose spending. The fiscal impact, however, cannot be estimated.

For purposes of implementing Section 49-g(b), Article III, Texas Constitution as added by SJR69, the Comptroller's office assumes that the unencumbered positive balance of general revenues is net of account balances dedicated under current law. Additionally, legally enforceable obligations of the state incurred on or before the last day of the biennium include encumbrances and accruals for all appropriations available under Section 403.071, Government Code

This proposed constitutional amendment would be submitted to the voters at an election to be held November 5, 2019.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** WP, KK, SD