

BILL ANALYSIS

H.B. 2896
By: Bonnen
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Every legislature for more than two decades has passed a funds consolidation bill to specify which general revenue-dedicated accounts are available to use for budget certification and which are exempt. It has been further noted that recently, the legislature has worked to reduce the state's reliance on dedicated accounts for the purpose of certification by appropriating those funds for allowable use and exempting others from certification in the fund consolidation bill. H.B. 2896 seeks to enable the fund consolidation process.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2896 abolishes all funds and accounts created or re-created and all dedications or rededications of revenue collected by an applicable state agency for a particular purpose by an act of the 87th Legislature, Regular Session, 2021, that becomes law, on the later date of August 31, 2021, or the date the act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect, except as otherwise specifically provided by the bill. The bill provides certain exemptions from abolishment with respect to previously exempt dedications, funds, and accounts; federal funds; trust funds; bond funds; constitutional dedications, funds, and accounts; and newly authorized uses of a dedicated fund or dedicated account.

H.B. 2896 establishes that all interest or other earnings that accrue on all revenue held in an account in the general revenue fund that are available for budget certification are in turn available for any general governmental purpose. The bill requires the comptroller of public accounts to deposit the interest and earnings to the credit of the general revenue fund.

H.B. 2896, effective September 1, 2021, amends the Government Code to do the following:

- update references to the 86th Legislature in statutory provisions governing the use of dedicated revenue to reflect application of those provisions to the 87th Legislature;
- change from August 31, 2021, to August 31, 2023, the date on which dedicated revenues estimated to exceed the amount appropriated are considered available for general governmental purposes and for purposes of budget certification; and
- postpone the expiration date of these provisions from September 1, 2021, to September 1, 2023.

H.B. 2896, effective September 1, 2021, amends the Transportation Code to require the comptroller, not later than September 30, 2021, to eliminate all dedicated accounts established for specialty license plates and set aside the balances of those dedicated accounts for specified purposes. The bill requires that, on and after September 1, 2021, the portion of a specialty license plate fee payable that is designated for deposit to a dedicated account is required to instead be paid to the credit of an account in a trust fund created by the comptroller outside the general revenue fund.

H.B. 2896 provides for the effect of its provisions with respect to any other act of the 87th Legislature, Regular Session, 2021.

EFFECTIVE DATE

Except as otherwise provided, on passage, or, if the bill does not receive the necessary vote, the 91st day after the last day of the legislative session.