

By: Raymond

H.B. No. 641

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an annual state budget and legislative budget sessions
3 in even-numbered years and to political contributions made during a
4 legislative session.

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

6 SECTION 1. Section 301.001, Government Code, is amended to
7 read as follows:

8 Sec. 301.001. TIME AND PLACE OF MEETING. (a) In each
9 odd-numbered year, the [~~The~~] legislature shall convene at the seat
10 of government in regular session at 12 noon on the second Tuesday in
11 January [~~of each odd-numbered year~~].

12 (b) In each even-numbered year, the legislature shall
13 convene at the seat of government in budget session at 12 noon on
14 the third Tuesday in April.

15 SECTION 2. Section 316.001, Government Code, is amended to
16 read as follows:

17 Sec. 316.001. LIMIT. The rate of growth of appropriations
18 in a state fiscal year [~~biennium~~] from state tax revenues not
19 dedicated by the constitution may not exceed the estimated rate of
20 growth of the state's economy.

21 SECTION 3. Sections 316.002(a), (b), and (e), Government
22 Code, are amended to read as follows:

23 (a) Before the Legislative Budget Board submits the budget
24 as prescribed by Section 322.008(c), the board shall establish:

1 (1) the estimated rate of growth of the state's economy
2 from the current fiscal year [~~biennium~~] to the next fiscal year
3 [~~biennium~~];

4 (2) the level of appropriations for the current fiscal
5 year [~~biennium~~] from state tax revenues not dedicated by the
6 constitution; and

7 (3) the amount of state tax revenues not dedicated by
8 the constitution that could be appropriated for the next fiscal
9 year [~~biennium~~] within the limit established by the estimated rate
10 of growth of the state's economy.

11 (b) Except as provided by Subsection (c), the board shall
12 determine the estimated rate of growth of the state's economy by
13 dividing the estimated Texas total personal income for the next
14 fiscal year [~~biennium~~] by the estimated Texas total personal income
15 for the current fiscal year [~~biennium~~]. Using standard statistical
16 methods, the board shall make the estimate by projecting through
17 the fiscal year [~~biennium~~] the estimated Texas total personal
18 income reported by the United States Department of Commerce or its
19 successor in function.

20 (e) In the absence of an action by the Legislative Budget
21 Board to adopt a spending limit as provided in Subsections (a) and
22 (b), the estimated rate of growth in the state's economy from the
23 current fiscal year [~~biennium~~] to the next fiscal year [~~biennium~~]
24 shall be treated as if it were zero, and the amount of state tax
25 revenues not dedicated by the constitution that could be
26 appropriated within the limit established by the estimated rate of
27 growth in the state's economy shall be the same as the level of

1 appropriations for the current fiscal year [~~biennium~~].

2 SECTION 4. Section 316.008(a), Government Code, is amended
3 to read as follows:

4 (a) Unless the legislature adopts a resolution under
5 Article VIII, Section 22(b), of the Texas Constitution raising the
6 proposed limit on appropriations, the proposed limit is binding on
7 the legislature with respect to all appropriations for the next
8 fiscal year [~~biennium~~] made from state tax revenues not dedicated
9 by the constitution.

10 SECTION 5. Section 316.045, Government Code, is amended to
11 read as follows:

12 Sec. 316.045. REDUCTION IN CERTAIN AGENCY FEES. (a) Each
13 state agency that sets the fees charged by that agency in amounts
14 that are reasonable and necessary to cover the administrative costs
15 of the agency shall review the amounts charged as fees on an annual
16 [~~a biennial~~] basis. The agency shall review the fees before the
17 beginning of each state fiscal year [~~biennium~~] and incorporate its
18 recommendations based on that review in its budget request
19 submitted to the Legislative Budget Board and the budget division
20 of the governor's office.

21 (b) If the agency determines that the fees are set at a level
22 that exceeds the administrative costs of the agency as of the date
23 of the review, the agency shall reduce the amount of the affected
24 fees to the appropriate level and shall charge the reduced fees
25 during the subsequent fiscal year [~~biennium~~]. Each agency shall
26 give specific recognition to reductions in salary expenses
27 resulting from statutorily directed employee attrition.

1 SECTION 6. Section 316.092(a), Government Code, is amended
2 to read as follows:

3 (a) For the purposes of adjusting the allocations of
4 transfers in accordance with Section 49-g(c-2), Article III, Texas
5 Constitution, and Section 316.093 for a state fiscal year
6 [~~biennium~~], the comptroller shall determine and adopt for the state
7 fiscal year [~~biennium~~] an amount equal to seven percent of the
8 certified general revenue-related appropriations made for that
9 state fiscal year [~~biennium~~].

10 SECTION 7. Sections 316.093(a), (b), and (c), Government
11 Code, are amended to read as follows:

12 (a) Before the comptroller makes transfers for a state
13 fiscal year in accordance with Section 49-g(c), Article III, Texas
14 Constitution, the comptroller shall determine whether the sum of
15 the balance of the fund on the preceding August 31, any projected
16 transfer to the fund under Section 49-g(b) of that article, and any
17 projected transfer to the fund under Section 49-g(c) of that
18 article in accordance with the allocations for the transfer as
19 provided by Section 49-g(c-1) of that article is less than the
20 amount determined under Section 316.092 for that state fiscal year
21 [~~biennium~~].

22 (b) If the sum described by Subsection (a) is less than the
23 amount determined under Section 316.092 for that state fiscal year
24 [~~biennium~~], the comptroller shall reduce the allocation to the
25 state highway fund provided by Section 49-g(c), Article III, Texas
26 Constitution, and increase the allocation to the economic
27 stabilization fund, in an equal amount, until the amount determined

1 under Section 316.092 for that state fiscal year [~~biennium~~] would
2 be achieved by the transfer to the fund or the total amount of the
3 sum described by Section 49-g(c), Article III, Texas Constitution,
4 is allocated to the fund, whichever occurs first.

5 (c) For the purposes of Section 49-g(c-2), Article III,
6 Texas Constitution, the comptroller shall adjust the allocation
7 provided by Section 49-g(c-1) of that article of amounts to be
8 transferred to the fund and to the state highway fund under Section
9 49-g(c) of that article in a state fiscal year beginning on or after
10 September 1, 2035, so that the total of those amounts is transferred
11 to the economic stabilization fund, except that the comptroller
12 shall reduce a transfer made under this subsection as necessary to
13 prevent the amount in the fund from exceeding the limit in effect
14 for that fiscal year [~~biennium~~] under Section 49-g(g) of that
15 article.

16 SECTION 8. Section 317.003(a), Government Code, is amended
17 to read as follows:

18 (a) The governor or Legislative Budget Board may make a
19 proposal at any time except during a [~~regular or special~~] session of
20 the legislature. A proposal may apply to an appropriation that has
21 been made for any specified fiscal year that has not ended at the
22 time the proposal is made.

23 SECTION 9. Sections 322.008(a), (c), and (d), Government
24 Code, are amended to read as follows:

25 (a) The director, under the direction of the board, shall
26 prepare the general appropriations bill for introduction at each
27 regular and budget [~~legislative~~] session of the legislature.

1 (c) Not later than the fifth day after a regular or budget
2 [~~legislative~~] session convenes, the director shall transmit a copy
3 of the budget of estimated appropriations prepared by the director
4 to the governor and each member of the legislature.

5 (d) Not later than the seventh day after a regular or budget
6 [~~legislative~~] session convenes, the director shall transmit a copy
7 of the general appropriations bill to the governor and each member
8 of the legislature.

9 SECTION 10. Chapter 322, Government Code, is amended by
10 adding Section 322.021 to read as follows:

11 Sec. 322.021. STUDY TO IMPLEMENT ANNUAL BUDGET. (a) The
12 board, with the assistance of the Texas Legislative Council, shall
13 examine the laws and operations of state government to determine
14 how the implementation of annual state budgets may affect those
15 laws and operations and shall adopt recommendations for legislative
16 and administrative action necessary to implement an annual budget
17 as effectively as practicable.

18 (b) The board shall make its initial recommendations under
19 this section not later than November 1, 2022.

20 SECTION 11. Section 403.121(a), Government Code, is amended
21 to read as follows:

22 (a) In the statement required by Article III, Section 49a,
23 of the Texas Constitution the comptroller shall list outstanding
24 appropriations that may exist after the end of the current fiscal
25 year but may not deduct them from the cash condition of the treasury
26 or the anticipated revenues of the next fiscal year [~~biennium~~]
27 for the purpose of certification. The comptroller shall base the

1 reports, estimates, and certifications of available funds on the
2 actual or estimated cash condition of the treasury and shall
3 consider outstanding and undisbursed appropriations at the end of
4 each fiscal year [~~biennium~~] as probable disbursements of the
5 succeeding fiscal year [~~biennium~~] in the same manner that earned
6 but uncollected income of a current fiscal year [~~biennium~~] is
7 considered in probable receipts of the succeeding fiscal year
8 [~~biennium~~]. The comptroller shall consider as probable
9 disbursements warrants that will be issued by the state before the
10 end of the fiscal year.

11 SECTION 12. The heading to Section 253.034, Election Code,
12 is amended to read as follows:

13 Sec. 253.034. RESTRICTIONS ON CONTRIBUTIONS DURING AND
14 FOLLOWING REGULAR OR BUDGET [~~LEGISLATIVE~~] SESSION OF LEGISLATURE.

15 SECTION 13. Section 253.034, Election Code, is amended by
16 amending Subsections (a), (b), and (c) and adding Subsection (a-1)
17 to read as follows:

18 (a) During the period beginning on the 30th day before the
19 date a regular [~~legislative~~] session of the legislature convenes
20 and continuing through the 20th day after the date of final
21 adjournment of that regular session, a person may not knowingly
22 make a political contribution to:

- 23 (1) a statewide officeholder;
- 24 (2) a member of the legislature; or
- 25 (3) a specific-purpose committee for supporting,
26 opposing, or assisting a statewide officeholder or member of the
27 legislature.

1 (a-1) During a budget session of the legislature, a person
2 may not knowingly make a political contribution to:

3 (1) the governor or lieutenant governor;

4 (2) a member of or a candidate for election to the
5 legislature; or

6 (3) a specific-purpose committee for supporting,
7 opposing, or assisting the governor, the lieutenant governor, or a
8 member of or a candidate for election to the legislature.

9 (b) A statewide officeholder, a member of or a candidate for
10 election to the legislature, or a specific-purpose committee for
11 supporting, opposing, or assisting a statewide officeholder or a
12 member of or a candidate for election to the legislature may not
13 knowingly accept a political contribution, and shall refuse a
14 political contribution that is received, during an applicable [the]
15 period prescribed by Subsection (a) or (a-1). A political
16 contribution that is received and refused during that period shall
17 be returned to the contributor not later than the 30th day after the
18 date of receipt. A contribution made by United States mail or by
19 common or contract carrier is not considered received during a
20 [that] period if it was properly addressed and placed with postage
21 or carrier charges prepaid or prearranged in the mail or delivered
22 to the contract carrier before the beginning of the period. The
23 date indicated by the post office cancellation mark or the common or
24 contract carrier documents is considered to be the date the
25 contribution was placed in the mail or delivered to the common or
26 contract carrier unless proven otherwise.

27 (c) This section does not apply to a political contribution

1 that was made and accepted with the intent that it be used:

2 (1) in an election held or ordered during a ~~[the]~~
3 period prescribed by Subsection (a) or (a-1) in which the person
4 accepting the contribution is a candidate if the contribution was
5 made after the person appointed a campaign treasurer with the
6 appropriate authority and before the person was sworn in for that
7 office;

8 (2) to defray expenses incurred in connection with an
9 election contest; or

10 (3) by a person who holds a state office or a member of
11 the legislature or by a specific-purpose political committee that
12 supports or assists only that person or member if the contribution
13 was made during the period prescribed by Subsection (a) and the
14 person or member was defeated at the general election held
15 immediately before the regular session is convened ~~[or by a~~
16 ~~specific-purpose political committee that supports or assists only~~
17 ~~that person or member]~~.

18 SECTION 14. The heading to Section 253.0341, Election Code,
19 is amended to read as follows:

20 Sec. 253.0341. RESTRICTIONS ON CONTRIBUTIONS TO
21 LEGISLATIVE CAUCUSES DURING AND FOLLOWING REGULAR OR BUDGET
22 ~~[LEGISLATIVE]~~ SESSION OF LEGISLATURE.

23 SECTION 15. Sections 253.0341(a) and (b), Election Code,
24 are amended to read as follows:

25 (a) During the period beginning on the 30th day before the
26 date a regular ~~[legislative]~~ session of the legislature convenes
27 and continuing through the 20th day after the date of final

1 adjournment, or at any time during a budget session of the
2 legislature, a person not a member of the caucus may not knowingly
3 make a contribution to a legislative caucus.

4 (b) A legislative caucus may not knowingly accept from a
5 nonmember a contribution, and shall refuse a contribution from a
6 nonmember that is received, during a ~~[the]~~ period prescribed by
7 Subsection (a). A contribution that is received and refused during
8 a ~~[that]~~ period prescribed by Subsection (a) shall be returned to
9 the contributor not later than the 30th day after the date of
10 receipt. A contribution made by United States mail or by common or
11 contract carrier is not considered received during a ~~[that]~~ period
12 if it was properly addressed and placed with postage or carrier
13 charges prepaid or prearranged in the mail or delivered to the
14 contract carrier before the beginning of the period. The date
15 indicated by the post office cancellation mark or the common or
16 contract carrier documents is considered to be the date the
17 contribution was placed in the mail or delivered to the common or
18 contract carrier unless proven otherwise.

19 SECTION 16. The changes in law made by this Act do not
20 affect the validity of an appropriation made before September 1,
21 2023, for any part of the two consecutive state fiscal years ending
22 August 31, 2025.

23 SECTION 17. (a) This Act takes effect as provided by
24 Subsection (b) of this section, but only if the constitutional
25 amendment proposed by the 87th Legislature, Regular Session, 2021,
26 providing for an annual state budget and annual legislative
27 sessions for budget purposes is approved by the voters. If that

1 proposed constitutional amendment is not approved by the voters,
2 this Act has no effect.

3 (b) This section and Section 10 of this Act take effect
4 January 1, 2022. The other sections of this Act take effect
5 September 1, 2023.