

By: Parker

H.B. No. 910

A BILL TO BE ENTITLED

AN ACT

relating to a limit on the rate of growth of certain appropriations and to appropriations of constitutionally dedicated revenue.

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

SECTION 1. Sections 316.001, 316.002, and 316.006, Government Code, are amended to read as follows:

Sec. 316.001. LIMIT. (a) The rate of growth of appropriations in a state fiscal biennium from state tax revenues not dedicated by the constitution may not exceed the estimated rate of growth of the state's economy.

(b) The rate of growth of appropriations from all sources of revenue other than the federal government in a state fiscal biennium may not exceed the estimated average biennial rate of growth of this state's population during the state fiscal biennium preceding the biennium for which appropriations are made and during the state fiscal biennium for which appropriations are made, adjusted by the estimated average biennial rate of monetary inflation in this state during the same period, as determined under Section 316.002.

(c) For purposes of this subchapter, an appropriation to pay for a rebate of state taxes must be excluded from computations used to determine whether appropriations exceed the amount authorized by Subsection (b).

(d) The Legislative Budget Board shall determine the rates

1 described by Subsection (b) using the most recent information
2 available from sources the board considers reliable, including the
3 United States Bureau of Labor Statistics and the Texas Demographic
4 Center.

5 Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD. (a)
6 Before the Legislative Budget Board transmits [~~submits~~] the budget
7 for the next state fiscal biennium as prescribed by Section
8 322.008(c), the board shall establish:

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

15 (2) the limit on the rate of growth of appropriations
16 from all sources of revenue other than the federal government for
17 that state fiscal biennium, as compared to the previous state
18 fiscal biennium, by subtracting one from the product of:

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

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

27 [~~(3) the amount of state tax revenues not dedicated by~~

1 ~~the constitution that could be appropriated for the next biennium~~
2 ~~within the limit established by the estimated rate of growth of the~~
3 ~~state's economy].~~

4 (b) Except as provided by Subsection (c), the board shall
5 determine the estimated rate of growth of the state's economy for
6 purposes of Subsection (a)(1) by dividing the estimated Texas total
7 personal income for the next state fiscal biennium by the estimated
8 Texas total personal income for the current state fiscal biennium.
9 Using standard statistical methods, the board shall make the
10 estimate by projecting through the biennium the estimated Texas
11 total personal income reported by the United States Department of
12 Commerce or its successor in function.

13 (c) If a more comprehensive definition of the rate of growth
14 of the state's economy is developed and is approved by the committee
15 established by Section 316.005, the board may use that definition
16 in calculating the limit on the rate of growth of appropriations
17 from state tax revenues not dedicated by the constitution under
18 Subsection (a)(1).

19 (d) Except as provided by Subsection (e), the board shall
20 determine for the next state fiscal biennium a limit on the amount
21 of:

22 (1) appropriations from state tax revenues not
23 dedicated by the constitution by multiplying the amount of
24 appropriations from state tax revenues not dedicated by the
25 constitution for the current state fiscal biennium by the sum of one
26 and the limit on the rate of growth of appropriations from state tax
27 revenues not dedicated by the constitution established by the board

1 under Subsection (a)(1); and

2 (2) appropriations from all sources of revenue other
3 than the federal government by multiplying the amount of
4 appropriations from all sources of revenue other than the federal
5 government for the current state fiscal biennium by the sum of one
6 and the limit on the rate of growth of appropriations from all
7 sources of revenue other than the federal government established by
8 the board under Subsection (a)(2).

9 (e) If the rate determined under Subsection (a)(2) is a
10 negative number, the amount of appropriations from all sources of
11 revenue other than the federal government for the next state fiscal
12 biennium may not exceed the amount of appropriations from all
13 sources of revenue other than the federal government in the current
14 state fiscal biennium.

15 (f) To ensure compliance with this subchapter and Section
16 22, Article VIII, [~~Section 22, of the~~] Texas Constitution, the
17 Legislative Budget Board may not transmit in any form to the
18 governor or the legislature the budget as prescribed by Section
19 322.008(c) or the general appropriations bill as prescribed by
20 Section 322.008(d) until the board adopts:

21 (1) the limit on the rate of growth of appropriations
22 from state tax revenues not dedicated by the constitution under
23 Section 316.001(a); and

24 (2) the limit on the rate of growth of appropriations
25 from all sources of revenue other than the federal government under
26 Section 316.001(b) [~~has been adopted as required by this~~
27 subchapter].

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

4 (1) for purposes of Section 316.001(a):

5 (A) [~~in Subsections (a) and (b)~~] the estimated
6 rate of growth of [~~in~~] the state's economy from the current state
7 fiscal biennium to the next state fiscal biennium shall be treated
8 as if it were zero; i [~~r~~] and

9 (B) the amount of state tax revenues not
10 dedicated by the constitution that could be appropriated within the
11 limit established by the estimated rate of growth of [~~in~~] the
12 state's economy shall be the same as the amount [~~level~~] of those
13 appropriations for the current state fiscal biennium; and

14 (2) for purposes of Section 316.001(b):

15 (A) the estimated average biennial rates of
16 growth of this state's population and of monetary inflation shall
17 be treated as if they were zero; and

18 (B) the amount of appropriations from all sources
19 of revenue other than the federal government that could be
20 appropriated within the limit established by that subsection shall
21 be the same as the amount of those appropriations for the current
22 state fiscal biennium.

23 Sec. 316.006. LIMIT ON BUDGET RECOMMENDATIONS. Unless
24 authorized by majority vote of the members of the board from each
25 house, the Legislative Budget Board budget recommendations:

26 (1) relating to the proposed appropriations from [~~of~~]
27 state tax revenues not dedicated by the constitution may not exceed

1 the limit on appropriations from those sources adopted by the
2 committee under Section 316.005; and

3 (2) relating to the proposed appropriations from all
4 sources of revenue other than the federal government may not exceed
5 the limit on appropriations from those sources adopted by the
6 committee under Section 316.005.

7 SECTION 2. Section 316.007(a), Government Code, is amended
8 to read as follows:

9 (a) The Legislative Budget Board shall include in its budget
10 recommendations:

11 (1) the proposed limit of appropriations from state
12 tax revenues not dedicated by the constitution; and

13 (2) the proposed limit of appropriations from all
14 sources of revenue other than the federal government.

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

17 (a) Unless the legislature adopts a resolution under
18 Section 22, Article VIII, [Section 22(b), of the] Texas
19 Constitution, raising the proposed limit on appropriations from
20 state tax revenues not dedicated by the constitution, the proposed
21 limit is binding on the legislature with respect to all
22 appropriations for the next state fiscal biennium made from those
23 [state tax] revenues [not dedicated by the constitution]. The
24 proposed limit on appropriations from all sources of revenue other
25 than the federal government is binding on the legislature with
26 respect to all appropriations for the next state fiscal biennium
27 made from those sources unless the legislature adopts a resolution

1 raising the proposed limit that is approved by a record vote of
2 three-fifths of the members of each house of the legislature. The
3 resolution must find that an emergency exists, identify the nature
4 of the emergency, and specify the amount authorized. The excess
5 amount authorized under this subsection may not exceed the amount
6 specified in the resolution.

7 SECTION 4. Chapter 316, Government Code, is amended by
8 adding Subchapter I to read as follows:

9 SUBCHAPTER I. APPROPRIATION OF CONSTITUTIONALLY DEDICATED REVENUE

10 Sec. 316.151. LEGISLATIVE INTENT. It is the intent of the
11 legislature that, to the extent practicable under Section 316.001
12 and other law, all revenue dedicated by the Texas Constitution for a
13 particular purpose be appropriated in each state fiscal biennium
14 for that purpose.

15 SECTION 5. The changes in law made by this Act apply only in
16 relation to appropriations made for the state fiscal biennium
17 beginning September 1, 2023, and subsequent state fiscal bienniums.
18 Appropriations for the state fiscal biennium beginning September 1,
19 2021, are governed by Sections 316.001, 316.002, 316.006, 316.007,
20 and 316.008, Government Code, as those sections existed on
21 September 1, 2020, and the former law is continued in effect for
22 that purpose.

23 SECTION 6. This Act takes effect September 1, 2021.