

1 AN ACT

2 relating to the creation and re-creation of funds and accounts, the
3 dedication and rededication of revenue and allocation of accrued
4 interest on dedicated revenue, and the exemption of unappropriated
5 money from use for general governmental purposes.

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

7 SECTION 1. DEFINITION. In any provision of this Act that
8 does not amend current law, "state agency" means an office,
9 institution, or other agency that is in the executive or judicial
10 branch of state government, has authority that is not limited to a
11 geographical portion of the state, and was created by the
12 constitution or a statute of this state. The term does not include
13 an institution of higher education as defined by Section 61.003,
14 Education Code.

15 SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS.
16 Except as otherwise specifically provided by this Act, all funds
17 and accounts created or re-created by an Act of the 87th
18 Legislature, Regular Session, 2021, that becomes law and all
19 dedications or rededications of revenue collected by a state agency
20 for a particular purpose by an Act of the 87th Legislature, Regular
21 Session, 2021, that becomes law are abolished on the later of August
22 31, 2021, or the date the Act creating or re-creating the fund or
23 account or dedicating or rededicating revenue takes effect.

24 SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND

1 ACCOUNTS. Section 2 of this Act does not apply to:

2 (1) statutory dedications, funds, and accounts that
3 were enacted before the 87th Legislature convened to comply with
4 requirements of state constitutional or federal law;

5 (2) dedications, funds, or accounts that remained
6 exempt from former Section 403.094(h), Government Code, at the time
7 dedications, accounts, and funds were abolished under that
8 provision;

9 (3) increases in fees or other revenue dedicated as
10 described by this section; or

11 (4) increases in fees or other revenue required to be
12 deposited in a fund or account described by this section.

13 SECTION 4. FEDERAL FUNDS. Section 2 of this Act does not
14 apply to funds created under an Act of the 87th Legislature, Regular
15 Session, 2021, for which separate accounting is required by federal
16 law, except that the funds shall be deposited in accounts in the
17 general revenue fund unless otherwise required by federal law.

18 SECTION 5. TRUST FUNDS. Section 2 of this Act does not
19 apply to trust funds or dedicated revenue deposited to trust funds
20 created under an Act of the 87th Legislature, Regular Session,
21 2021, except that the trust funds shall be held in the state
22 treasury, with the comptroller in trust, or outside the state
23 treasury with the comptroller's approval.

24 SECTION 6. BOND FUNDS. Section 2 of this Act does not apply
25 to bond funds and pledged funds created or affected by an Act of the
26 87th Legislature, Regular Session, 2021, except that the funds
27 shall be held in the state treasury, with the comptroller in trust,

1 or outside the state treasury with the comptroller's approval.

2 SECTION 7. CONSTITUTIONAL DEDICATIONS, FUNDS, AND
3 ACCOUNTS. Section 2 of this Act does not apply to funds or accounts
4 that would be created or re-created by the Texas Constitution or
5 revenue that would be dedicated or rededicated by the Texas
6 Constitution under a constitutional amendment proposed by the 87th
7 Legislature, Regular Session, 2021, or to dedicated revenue
8 deposited to funds or accounts that would be so created or
9 re-created, if the constitutional amendment is approved by the
10 voters.

11 SECTION 8. ADDITIONAL USES FOR DEDICATED FUNDS OR ACCOUNTS.
12 Section 2 of this Act does not apply to a newly authorized use of
13 money in a dedicated fund or dedicated account as provided by an Act
14 of the 87th Legislature, Regular Session, 2021, to the extent:

15 (1) the fund or account was exempted from abolition by
16 an Act of the legislature that became law before January 1, 2021;
17 and

18 (2) the newly authorized use is within the scope of the
19 original dedication of the fund or account.

20 SECTION 9. ACCOUNTS IN GENERAL REVENUE FUND. Effective on
21 the later of the effective date of the Act creating or re-creating
22 the specified account or August 31, 2021, the following accounts,
23 the revenue deposited to the credit of those accounts, and the
24 revenue dedicated for deposit to the credit of those accounts, are
25 exempt from Section 2 of this Act and the accounts are created or
26 re-created in the general revenue fund, if created or re-created by
27 an Act of the 87th Legislature, Regular Session, 2021, that becomes

1 law:

2 (1) the broadband development account created as an
3 account in the general revenue fund by House Bill No. 5 or similar
4 legislation;

5 (2) the Brain Institute of Texas research fund created
6 as an account in the general revenue fund by House Bill No. 15 or
7 similar legislation;

8 (3) an account created in the general revenue fund by
9 House Bill No. 211 or similar legislation;

10 (4) the rural veterinarian incentive program account
11 created as an account in the general revenue fund by House Bill
12 No. 1259 or similar legislation;

13 (5) the barbering and cosmetology school tuition
14 protection account created by House Bill No. 1560 or similar
15 legislation;

16 (6) the micro-business recovery fund created as an
17 account in the general revenue fund by House Bill No. 3271 or
18 similar legislation;

19 (7) the consumable hemp products account created as an
20 account in the general revenue fund by House Bill No. 3948 or
21 similar legislation;

22 (8) the Texas youth livestock show fund created as an
23 account in the general revenue fund by House Bill No. 3959 or
24 similar legislation;

25 (9) the Texas music incubator account created as an
26 account in the general revenue fund by Senate Bill No. 609 or
27 similar legislation;

1 (10) the Breeders' Cup Developmental Account created
2 as an account in the general revenue fund by Senate Bill No. 704 or
3 similar legislation;

4 (11) the Bulk Storage Vessel Performance Standards
5 Program Account created by Senate Bill No. 900 or similar
6 legislation;

7 (12) an account created in the general revenue fund by
8 Senate Bill No. 1137 or similar legislation;

9 (13) the micro-business disaster recovery fund
10 created as an account in the general revenue fund by Senate Bill
11 No. 1465 or similar legislation; and

12 (14) the opioid abatement account created as an
13 account in the general revenue fund by Senate Bill No. 1827 or
14 similar legislation.

15 SECTION 10. SEPARATE FUNDS. Effective on the later of the
16 effective date of the Act creating or re-creating the specified
17 fund or August 31, 2021, the following funds, if created or
18 re-created by an Act of the 87th Legislature, Regular Session,
19 2021, the revenue deposited to the funds, and the revenue dedicated
20 for deposit to the funds, are exempt from Section 2 of this Act, and
21 the funds are created or re-created as separate funds inside or
22 outside the state treasury, as specified by the Act creating or
23 re-creating the fund:

24 (1) the broadband pole replacement fund created as a
25 fund in the state treasury by House Bill No. 1505 or similar
26 legislation;

27 (2) the state utilities reliability fund created as a

1 special fund in the state treasury by House Bill No. 2000 or similar
2 legislation;

3 (3) the state utilities reliability revenue fund
4 created as a special fund in the state treasury by House Bill
5 No. 2000 or similar legislation;

6 (4) the critical infrastructure resiliency fund
7 created as a special fund in the state treasury by House Bill
8 No. 2275 or similar legislation;

9 (5) the disaster response loan fund created as a fund
10 outside the state treasury by House Bill No. 2812 or similar
11 legislation;

12 (6) the open burn pit registry fund created as a
13 special fund in the state treasury by House Bill No. 3953, House
14 Bill No. 3957, or similar legislation;

15 (7) the technology improvement and modernization fund
16 created as a special fund in the state treasury by House Bill
17 No. 4018 or similar legislation;

18 (8) the broadband development fund created as a
19 special fund in the state treasury by Senate Bill No. 5 or similar
20 legislation;

21 (9) the small business disaster recovery revolving
22 fund created as a special fund outside the state treasury by Senate
23 Bill No. 678 or similar legislation;

24 (10) the horse industry escrow account created as a
25 trust account outside the state treasury by Senate Bill No. 704 or
26 similar legislation;

27 (11) the Texas small and rural community success fund

1 created as a trust fund outside the state treasury by Senate Bill
2 No. 1465 or similar legislation; and

3 (12) the opioid abatement trust fund created as a
4 trust fund outside the state treasury by Senate Bill No. 1827 or
5 similar legislation.

6 SECTION 11. REVENUE DEDICATIONS. Effective on the later of
7 the effective date of the Act dedicating or rededicating the
8 specified revenue or August 31, 2021, the following dedications or
9 rededications of revenue collected for a particular purpose are
10 exempt from Section 2 of this Act, if dedicated or rededicated by an
11 Act of the 87th Legislature, Regular Session, 2021:

12 (1) the dedication of grants and donations to the
13 state highway fund provided by House Bill No. 1075 or similar
14 legislation;

15 (2) the dedication of certain tax revenue to the
16 specialty court account provided by House Bill No. 1256 or similar
17 legislation;

18 (3) the dedication of funds to the anthropogenic
19 carbon dioxide storage trust fund provided by House Bill No. 1284
20 or similar legislation;

21 (4) the dedication of revenue from the fee established
22 by House Bill No. 1631 or similar legislation to the game, fish, and
23 water safety account;

24 (5) the dedication of municipal sales and use tax
25 revenue provided by House Bill No. 1900 or similar legislation;

26 (6) the dedication of revenue provided by House Bill
27 No. 1904 or similar legislation;

1 (7) the dedication of revenue to the state highway
2 fund provided by House Bill No. 2577 or similar legislation;

3 (8) the dedication of revenue to the designated trauma
4 facility and emergency medical services account provided by House
5 Bill No. 3514 or similar legislation;

6 (9) the dedication of revenue to the Motor Vehicle
7 Crime Prevention Authority provided by House Bill No. 3514 or
8 similar legislation;

9 (10) the dedication of revenue to the oil and gas
10 regulation and cleanup fund provided by House Bill No. 3973 or
11 similar legislation;

12 (11) the dedication of revenue to the State Securities
13 Board provided by House Bill No. 4131 or similar legislation;

14 (12) the dedication of revenue provided by House Bill
15 No. 4472 or similar legislation;

16 (13) the dedication of revenue provided by Senate Bill
17 No. 41 or similar legislation;

18 (14) the dedication of revenue to the Texas mobility
19 fund provided by Senate Bill No. 181 or similar legislation;

20 (15) the dedication of grants and donations to the
21 state highway fund provided by Senate Bill No. 633 or similar
22 legislation;

23 (16) the dedication of revenue provided by Senate Bill
24 No. 1263 or similar legislation;

25 (17) the dedication of revenue to the state highway
26 fund provided by Senate Bill No. 1728 or similar legislation;

27 (18) the dedication of revenue from penalties imposed

1 under Senate Bill No. 2038 or similar legislation to the
2 freestanding emergency medical care facility licensing fund; and

3 (19) the dedication of tax revenue provided by Senate
4 Bill No. 2089 or similar legislation.

5 SECTION 12. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
6 DEDICATED REVENUE. (a) This section applies only to an account in
7 the general revenue fund:

8 (1) any part of which Section 403.095, Government
9 Code, makes available for certification under Section 403.121,
10 Government Code; and

11 (2) that is created or re-created by an Act of the 87th
12 Legislature, Regular Session, 2021.

13 (b) Except as provided by this Act, all interest and other
14 earnings that accrue on all revenue held in an account in the
15 general revenue fund are available for any general governmental
16 purpose.

17 (c) Except as provided by this Act, the comptroller shall
18 deposit all interest and other earnings that accrue on all revenue
19 held in an account in the general revenue fund to the credit of the
20 general revenue fund.

21 SECTION 13. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE.
22 Effective September 1, 2021, Sections 403.095(b), (d), and (f),
23 Government Code, are amended to read as follows:

24 (b) Notwithstanding any law dedicating or setting aside
25 revenue for a particular purpose or entity, dedicated revenues that
26 on August 31, 2023 [~~2021~~], are estimated to exceed the amount
27 appropriated by the General Appropriations Act or other laws

1 enacted by the 87th [~~86th~~] Legislature are available for general
2 governmental purposes and are considered available for the purpose
3 of certification under Section 403.121.

4 (d) Following certification of the General Appropriations
5 Act and other appropriations measures enacted by the 87th [~~86th~~]
6 Legislature, the comptroller shall reduce each dedicated account as
7 directed by the legislature by an amount that may not exceed the
8 amount by which estimated revenues and unobligated balances exceed
9 appropriations. The reductions may be made in the amounts and at the
10 times necessary for cash flow considerations to allow all the
11 dedicated accounts to maintain adequate cash balances to transact
12 routine business. The legislature may authorize, in the General
13 Appropriations Act, the temporary delay of the excess balance
14 reduction required under this subsection. This subsection does not
15 apply to revenues or balances in:

- 16 (1) funds outside the treasury;
- 17 (2) trust funds, which for purposes of this section
18 include funds that may or are required to be used in whole or in part
19 for the acquisition, development, construction, or maintenance of
20 state and local government infrastructures, recreational
21 facilities, or natural resource conservation facilities;
- 22 (3) funds created by the constitution or a court; or
- 23 (4) funds for which separate accounting is required by
24 federal law.

25 (f) This section expires September 1, 2023 [~~2021~~].

26 SECTION 14. AMENDMENT OF SECTION 504.6012, TRANSPORTATION
27 CODE. Effective September 1, 2021, Section 504.6012,

1 Transportation Code, is amended to read as follows:

2 Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS;
3 REVENUES IN TRUST. (a) Notwithstanding any other law, not later
4 than September 30, 2021 [~~2019~~], the comptroller shall eliminate all
5 dedicated accounts established for specialty license plates and
6 shall set aside the balances of those dedicated accounts so that the
7 balances may be appropriated only for the purposes intended as
8 provided by the dedications.

9 (b) On and after September 1, 2021 [~~2019~~], the portion of a
10 fee payable that is designated for deposit to a dedicated account
11 shall be paid instead to the credit of an account in a trust fund
12 created by the comptroller outside the general revenue fund. The
13 comptroller shall administer the trust fund and accounts and may
14 allocate the corpus and earnings on each account only in accordance
15 with the dedications of the revenue deposited to the trust fund
16 accounts.

17 SECTION 15. EFFECT OF ACT. (a) This Act prevails over any
18 other Act of the 87th Legislature, Regular Session, 2021,
19 regardless of the relative dates of enactment, that purports to
20 create or re-create a special fund or account or to dedicate or
21 rededicate revenue to a particular purpose, including any fund,
22 account, or revenue dedication abolished under former Section
23 403.094, Government Code.

24 (b) An exemption from the application of Section [403.095](#),
25 Government Code, contained in another Act of the 87th Legislature,
26 Regular Session, 2021, that is exempted from the application of
27 Section 2 of this Act has no effect.

1 (c) Revenue that, under the terms of another Act of the 87th
2 Legislature, Regular Session, 2021, would be deposited to the
3 credit of a special account or fund shall be deposited to the credit
4 of the undedicated portion of the general revenue fund unless the
5 fund, account, or dedication is exempted under this Act.

6 (d) This Act prevails over any other Act of the 87th
7 Legislature, Regular Session, 2021, regardless of the relative
8 dates of enactment, that purports to allocate interest or other
9 earnings that accrue on revenue held in an account in the general
10 revenue fund any part of which Section 403.095, Government Code,
11 makes available for certification under Section 403.121,
12 Government Code.

13 SECTION 16. EFFECTIVE DATE. Except as otherwise provided
14 by this Act:

15 (1) this Act takes effect immediately if this Act
16 receives a vote of two-thirds of all the members elected to each
17 house, as provided by Section 39, Article III, Texas Constitution;
18 and

19 (2) if this Act does not receive the vote necessary for
20 immediate effect, this Act takes effect on the 91st day after the
21 last day of the legislative session.

President of the Senate

Speaker of the House

I certify that H.B. No. 2896 was passed by the House on April 20, 2021, by the following vote: Yeas 146, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2896 on May 28, 2021, by the following vote: Yeas 145, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2896 was passed by the Senate, with amendments, on May 24, 2021, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor