

1-1 By: Bonnen (Senate Sponsor - Nelson) H.B. No. 2896
 1-2 (In the Senate - Received from the House April 20, 2021;
 1-3 May 4, 2021, read first time and referred to Committee on Finance;
 1-4 May 21, 2021, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 12, Nays 0; May 21, 2021,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16	X			
1-17			X	
1-18	X			
1-19			X	
1-20	X			
1-21	X			
1-22	X			
1-23	X			

1-24 COMMITTEE SUBSTITUTE FOR H.B. No. 2896 By: Nelson

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the creation and re-creation of funds and accounts, the
 1-28 dedication and rededication of revenue and allocation of accrued
 1-29 interest on dedicated revenue, and the exemption of unappropriated
 1-30 money from use for general governmental purposes.

1-31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-32 SECTION 1. DEFINITION. In any provision of this Act that
 1-33 does not amend current law, "state agency" means an office,
 1-34 institution, or other agency that is in the executive or judicial
 1-35 branch of state government, has authority that is not limited to a
 1-36 geographical portion of the state, and was created by the
 1-37 constitution or a statute of this state. The term does not include
 1-38 an institution of higher education as defined by Section 61.003,
 1-39 Education Code.

1-40 SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS.
 1-41 Except as otherwise specifically provided by this Act, all funds
 1-42 and accounts created or re-created by an Act of the 87th
 1-43 Legislature, Regular Session, 2021, that becomes law and all
 1-44 dedications or rededications of revenue collected by a state agency
 1-45 for a particular purpose by an Act of the 87th Legislature, Regular
 1-46 Session, 2021, that becomes law are abolished on the later of August
 1-47 31, 2021, or the date the Act creating or re-creating the fund or
 1-48 account or dedicating or rededicating revenue takes effect.

1-49 SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND
 1-50 ACCOUNTS. Section 2 of this Act does not apply to:

1-51 (1) statutory dedications, funds, and accounts that
 1-52 were enacted before the 87th Legislature convened to comply with
 1-53 requirements of state constitutional or federal law;

1-54 (2) dedications, funds, or accounts that remained
 1-55 exempt from former Section 403.094(h), Government Code, at the time
 1-56 dedications, accounts, and funds were abolished under that
 1-57 provision;

1-58 (3) increases in fees or other revenue dedicated as
 1-59 described by this section; or

1-60 (4) increases in fees or other revenue required to be

2-1 deposited in a fund or account described by this section.

2-2 SECTION 4. FEDERAL FUNDS. Section 2 of this Act does not
2-3 apply to funds created under an Act of the 87th Legislature, Regular
2-4 Session, 2021, for which separate accounting is required by federal
2-5 law, except that the funds shall be deposited in accounts in the
2-6 general revenue fund unless otherwise required by federal law.

2-7 SECTION 5. TRUST FUNDS. Section 2 of this Act does not
2-8 apply to trust funds or dedicated revenue deposited to trust funds
2-9 created under an Act of the 87th Legislature, Regular Session,
2-10 2021, except that the trust funds shall be held in the state
2-11 treasury, with the comptroller in trust, or outside the state
2-12 treasury with the comptroller's approval.

2-13 SECTION 6. BOND FUNDS. Section 2 of this Act does not apply
2-14 to bond funds and pledged funds created or affected by an Act of the
2-15 87th Legislature, Regular Session, 2021, except that the funds
2-16 shall be held in the state treasury, with the comptroller in trust,
2-17 or outside the state treasury with the comptroller's approval.

2-18 SECTION 7. CONSTITUTIONAL DEDICATIONS, FUNDS, AND
2-19 ACCOUNTS. Section 2 of this Act does not apply to funds or accounts
2-20 that would be created or re-created by the Texas Constitution or
2-21 revenue that would be dedicated or rededicated by the Texas
2-22 Constitution under a constitutional amendment proposed by the 87th
2-23 Legislature, Regular Session, 2021, or to dedicated revenue
2-24 deposited to funds or accounts that would be so created or
2-25 re-created, if the constitutional amendment is approved by the
2-26 voters.

2-27 SECTION 8. ADDITIONAL USES FOR DEDICATED FUNDS OR ACCOUNTS.
2-28 Section 2 of this Act does not apply to a newly authorized use of
2-29 money in a dedicated fund or dedicated account as provided by an Act
2-30 of the 87th Legislature, Regular Session, 2021, to the extent:

2-31 (1) the fund or account was exempted from abolition by
2-32 an Act of the legislature that became law before January 1, 2021;
2-33 and

2-34 (2) the newly authorized use is within the scope of the
2-35 original dedication of the fund or account.

2-36 SECTION 9. ACCOUNTS IN GENERAL REVENUE FUND. Effective on
2-37 the later of the effective date of the Act creating or re-creating
2-38 the specified account or August 31, 2021, the following accounts,
2-39 the revenue deposited to the credit of those accounts, and the
2-40 revenue dedicated for deposit to the credit of those accounts, are
2-41 exempt from Section 2 of this Act and the accounts are created or
2-42 re-created in the general revenue fund, if created or re-created by
2-43 an Act of the 87th Legislature, Regular Session, 2021, that becomes
2-44 law:

2-45 (1) the broadband development account created as an
2-46 account in the general revenue fund by House Bill No. 5 or similar
2-47 legislation;

2-48 (2) the Brain Institute of Texas research fund created
2-49 as an account in the general revenue fund by House Bill No. 15 or
2-50 similar legislation;

2-51 (3) an account created in the general revenue fund by
2-52 House Bill No. 211 or similar legislation;

2-53 (4) the rural veterinarian incentive program account
2-54 created as an account in the general revenue fund by House Bill
2-55 No. 1259 or similar legislation;

2-56 (5) the barbering and cosmetology school tuition
2-57 protection account created by House Bill No. 1560 or similar
2-58 legislation;

2-59 (6) the micro-business recovery fund created as an
2-60 account in the general revenue fund by House Bill No. 3271 or
2-61 similar legislation;

2-62 (7) the consumable hemp products account created as an
2-63 account in the general revenue fund by House Bill No. 3948 or
2-64 similar legislation;

2-65 (8) the Texas youth livestock show fund created as an
2-66 account in the general revenue fund by House Bill No. 3959 or
2-67 similar legislation;

2-68 (9) the Texas music incubator account created as an
2-69 account in the general revenue fund by Senate Bill No. 609 or

3-1 similar legislation;
3-2 (10) the Breeders' Cup Developmental Account created
3-3 as an account in the general revenue fund by Senate Bill No. 704 or
3-4 similar legislation;
3-5 (11) the Bulk Storage Vessel Performance Standards
3-6 Program Account created by Senate Bill No. 900 or similar
3-7 legislation;
3-8 (12) an account created in the general revenue fund by
3-9 Senate Bill No. 1137 or similar legislation;
3-10 (13) the micro-business disaster recovery fund
3-11 created as an account in the general revenue fund by Senate Bill
3-12 No. 1465 or similar legislation; and
3-13 (14) the opioid abatement account created as an
3-14 account in the general revenue fund by Senate Bill No. 1827 or
3-15 similar legislation.

3-16 SECTION 10. SEPARATE FUNDS. Effective on the later of the
3-17 effective date of the Act creating or re-creating the specified
3-18 fund or August 31, 2021, the following funds, if created or
3-19 re-created by an Act of the 87th Legislature, Regular Session,
3-20 2021, the revenue deposited to the funds, and the revenue dedicated
3-21 for deposit to the funds, are exempt from Section 2 of this Act, and
3-22 the funds are created or re-created as separate funds inside or
3-23 outside the state treasury, as specified by the Act creating or
3-24 re-creating the fund:

3-25 (1) the broadband pole replacement fund created as a
3-26 fund in the state treasury by House Bill No. 1505 or similar
3-27 legislation;
3-28 (2) the state utilities reliability fund created as a
3-29 special fund in the state treasury by House Bill No. 2000 or similar
3-30 legislation;
3-31 (3) the state utilities reliability revenue fund
3-32 created as a special fund in the state treasury by House Bill
3-33 No. 2000 or similar legislation;
3-34 (4) the critical infrastructure resiliency fund
3-35 created as a special fund in the state treasury by House Bill
3-36 No. 2275 or similar legislation;
3-37 (5) the disaster response loan fund created as a fund
3-38 outside the state treasury by House Bill No. 2812 or similar
3-39 legislation;
3-40 (6) the open burn pit registry fund created as a
3-41 special fund in the state treasury by House Bill No. 3953, House
3-42 Bill No. 3957, or similar legislation;
3-43 (7) the technology improvement and modernization fund
3-44 created as a special fund in the state treasury by House Bill
3-45 No. 4018 or similar legislation;
3-46 (8) the broadband development fund created as a
3-47 special fund in the state treasury by Senate Bill No. 5 or similar
3-48 legislation;
3-49 (9) the small business disaster recovery revolving
3-50 fund created as a special fund outside the state treasury by Senate
3-51 Bill No. 678 or similar legislation;
3-52 (10) the horse industry escrow account created as a
3-53 trust account outside the state treasury by Senate Bill No. 704 or
3-54 similar legislation;
3-55 (11) the Texas small and rural community success fund
3-56 created as a trust fund outside the state treasury by Senate Bill
3-57 No. 1465 or similar legislation; and
3-58 (12) the opioid abatement trust fund created as a
3-59 trust fund outside the state treasury by Senate Bill No. 1827 or
3-60 similar legislation.

3-61 SECTION 11. REVENUE DEDICATIONS. Effective on the later of
3-62 the effective date of the Act dedicating or rededicating the
3-63 specified revenue or August 31, 2021, the following dedications or
3-64 rededications of revenue collected for a particular purpose are
3-65 exempt from Section 2 of this Act, if dedicated or rededicated by an
3-66 Act of the 87th Legislature, Regular Session, 2021:

3-67 (1) the dedication of grants and donations to the
3-68 state highway fund provided by House Bill No. 1075 or similar
3-69 legislation;

4-1 (2) the dedication of certain tax revenue to the
4-2 specialty court account provided by House Bill No. 1256 or similar
4-3 legislation;

4-4 (3) the dedication of funds to the anthropogenic
4-5 carbon dioxide storage trust fund provided by House Bill No. 1284
4-6 or similar legislation;

4-7 (4) the dedication of revenue from the fee established
4-8 by House Bill No. 1631 or similar legislation to the game, fish, and
4-9 water safety account;

4-10 (5) the dedication of municipal sales and use tax
4-11 revenue provided by House Bill No. 1900 or similar legislation;

4-12 (6) the dedication of revenue provided by House Bill
4-13 No. 1904 or similar legislation;

4-14 (7) the dedication of revenue to the state highway
4-15 fund provided by House Bill No. 2577 or similar legislation;

4-16 (8) the dedication of revenue to the designated trauma
4-17 facility and emergency medical services account provided by House
4-18 Bill No. 3514 or similar legislation;

4-19 (9) the dedication of revenue to the Motor Vehicle
4-20 Crime Prevention Authority provided by House Bill No. 3514 or
4-21 similar legislation;

4-22 (10) the dedication of revenue to the oil and gas
4-23 regulation and cleanup fund provided by House Bill No. 3973 or
4-24 similar legislation;

4-25 (11) the dedication of revenue to the State Securities
4-26 Board provided by House Bill No. 4131 or similar legislation;

4-27 (12) the dedication of revenue provided by House Bill
4-28 No. 4472 or similar legislation;

4-29 (13) the dedication of revenue provided by Senate Bill
4-30 No. 41 or similar legislation;

4-31 (14) the dedication of revenue to the Texas mobility
4-32 fund provided by Senate Bill No. 181 or similar legislation;

4-33 (15) the dedication of grants and donations to the
4-34 state highway fund provided by Senate Bill No. 633 or similar
4-35 legislation;

4-36 (16) the dedication of revenue provided by Senate Bill
4-37 No. 1263 or similar legislation;

4-38 (17) the dedication of revenue to the state highway
4-39 fund provided by Senate Bill No. 1728 or similar legislation;

4-40 (18) the dedication of revenue from penalties imposed
4-41 under Senate Bill No. 2038 or similar legislation to the
4-42 freestanding emergency medical care facility licensing fund; and

4-43 (19) the dedication of tax revenue provided by Senate
4-44 Bill No. 2089 or similar legislation.

4-45 SECTION 12. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
4-46 DEDICATED REVENUE. (a) This section applies only to an account in
4-47 the general revenue fund:

4-48 (1) any part of which Section 403.095, Government
4-49 Code, makes available for certification under Section 403.121,
4-50 Government Code; and

4-51 (2) that is created or re-created by an Act of the 87th
4-52 Legislature, Regular Session, 2021.

4-53 (b) Except as provided by this Act, all interest and other
4-54 earnings that accrue on all revenue held in an account in the
4-55 general revenue fund are available for any general governmental
4-56 purpose.

4-57 (c) Except as provided by this Act, the comptroller shall
4-58 deposit all interest and other earnings that accrue on all revenue
4-59 held in an account in the general revenue fund to the credit of the
4-60 general revenue fund.

4-61 SECTION 13. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE.
4-62 Effective September 1, 2021, Sections 403.095(b), (d), and (f),
4-63 Government Code, are amended to read as follows:

4-64 (b) Notwithstanding any law dedicating or setting aside
4-65 revenue for a particular purpose or entity, dedicated revenues that
4-66 on August 31, 2023 [~~2021~~], are estimated to exceed the amount
4-67 appropriated by the General Appropriations Act or other laws
4-68 enacted by the 87th [~~86th~~] Legislature are available for general
4-69 governmental purposes and are considered available for the purpose

5-1 of certification under Section 403.121.

5-2 (d) Following certification of the General Appropriations
5-3 Act and other appropriations measures enacted by the 87th [~~86th~~]
5-4 Legislature, the comptroller shall reduce each dedicated account as
5-5 directed by the legislature by an amount that may not exceed the
5-6 amount by which estimated revenues and unobligated balances exceed
5-7 appropriations. The reductions may be made in the amounts and at the
5-8 times necessary for cash flow considerations to allow all the
5-9 dedicated accounts to maintain adequate cash balances to transact
5-10 routine business. The legislature may authorize, in the General
5-11 Appropriations Act, the temporary delay of the excess balance
5-12 reduction required under this subsection. This subsection does not
5-13 apply to revenues or balances in:

5-14 (1) funds outside the treasury;

5-15 (2) trust funds, which for purposes of this section
5-16 include funds that may or are required to be used in whole or in part
5-17 for the acquisition, development, construction, or maintenance of
5-18 state and local government infrastructures, recreational
5-19 facilities, or natural resource conservation facilities;

5-20 (3) funds created by the constitution or a court; or

5-21 (4) funds for which separate accounting is required by
5-22 federal law.

5-23 (f) This section expires September 1, 2023 [~~2021~~].

5-24 SECTION 14. AMENDMENT OF SECTION 504.6012, TRANSPORTATION
5-25 CODE. Effective September 1, 2021, Section 504.6012,
5-26 Transportation Code, is amended to read as follows:

5-27 Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS;
5-28 REVENUES IN TRUST. (a) Notwithstanding any other law, not later
5-29 than September 30, 2021 [~~2019~~], the comptroller shall eliminate all
5-30 dedicated accounts established for specialty license plates and
5-31 shall set aside the balances of those dedicated accounts so that the
5-32 balances may be appropriated only for the purposes intended as
5-33 provided by the dedications.

5-34 (b) On and after September 1, 2021 [~~2019~~], the portion of a
5-35 fee payable that is designated for deposit to a dedicated account
5-36 shall be paid instead to the credit of an account in a trust fund
5-37 created by the comptroller outside the general revenue fund. The
5-38 comptroller shall administer the trust fund and accounts and may
5-39 allocate the corpus and earnings on each account only in accordance
5-40 with the dedications of the revenue deposited to the trust fund
5-41 accounts.

5-42 SECTION 15. EFFECT OF ACT. (a) This Act prevails over any
5-43 other Act of the 87th Legislature, Regular Session, 2021,
5-44 regardless of the relative dates of enactment, that purports to
5-45 create or re-create a special fund or account or to dedicate or
5-46 rededicate revenue to a particular purpose, including any fund,
5-47 account, or revenue dedication abolished under former Section
5-48 403.094, Government Code.

5-49 (b) An exemption from the application of Section 403.095,
5-50 Government Code, contained in another Act of the 87th Legislature,
5-51 Regular Session, 2021, that is exempted from the application of
5-52 Section 2 of this Act has no effect.

5-53 (c) Revenue that, under the terms of another Act of the 87th
5-54 Legislature, Regular Session, 2021, would be deposited to the
5-55 credit of a special account or fund shall be deposited to the credit
5-56 of the undedicated portion of the general revenue fund unless the
5-57 fund, account, or dedication is exempted under this Act.

5-58 (d) This Act prevails over any other Act of the 87th
5-59 Legislature, Regular Session, 2021, regardless of the relative
5-60 dates of enactment, that purports to allocate interest or other
5-61 earnings that accrue on revenue held in an account in the general
5-62 revenue fund any part of which Section 403.095, Government Code,
5-63 makes available for certification under Section 403.121,
5-64 Government Code.

5-65 SECTION 16. EFFECTIVE DATE. Except as otherwise provided
5-66 by this Act:

5-67 (1) this Act takes effect immediately if this Act
5-68 receives a vote of two-thirds of all the members elected to each
5-69 house, as provided by Section 39, Article III, Texas Constitution;

6-1 and
6-2 (2) if this Act does not receive the vote necessary for
6-3 immediate effect, this Act takes effect on the 91st day after the
6-4 last day of the legislative session.

6-5 * * * * *