

By: Eckhardt

S.J.R. No. 21

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for an annual state
2 budget and annual legislative sessions for budget purposes.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Section 5(a), Article III, Texas Constitution,
5 is amended to read as follows:

6 (a) The Legislature shall meet every odd-numbered year in
7 regular session and every even-numbered year in budget session [~~two~~
8 ~~years~~] at such times [~~time~~] as may be provided by law. The
9 Legislature also shall meet [~~and~~] at other times when convened by
10 the Governor.

11 SECTION 2. Section 24(a), Article III, Texas Constitution,
12 is amended to read as follows:

13 (a) Members of the Legislature shall receive from the Public
14 Treasury a salary of Six Hundred Dollars (\$600) per month, unless a
15 greater amount is recommended by the Texas Ethics Commission and
16 approved by the voters of this State in which case the salary is
17 that amount. Each member shall also receive a per diem set by the
18 Texas Ethics Commission for each day during each Regular, Budget,
19 and Special Session of the Legislature.

20 SECTION 3. Article III, Texas Constitution, is amended by
21 adding Section 40a to read as follows:

22 Sec. 40a. (a) A budget session of the legislature may not
23 exceed 90 days in duration. When convened in budget session, a
24 house of the legislature may not consider a bill or proposed

1 constitutional amendment on a matter other than:

2 (1) appropriations, transfers of state money among
3 funds and accounts, or state revenue; or

4 (2) an emergency matter submitted by the governor in a
5 special message to the legislature.

6 (b) Except as otherwise provided by this constitution, a
7 budget session is treated in the same manner as a special session of
8 the legislature for purposes of this constitution.

9 (c) Unless otherwise provided by general law, a budget
10 session shall be convened at noon on the second Tuesday in January.

11 SECTION 4. Section 49(c), Article III, Texas Constitution,
12 is amended to read as follows:

13 (c) The legislature may call an election during any regular
14 session or budget session of the legislature or during any special
15 session of the legislature in which the subject of the election is
16 designated in the governor's proclamation for that special session.
17 The election may be held on any date, and notice of the election
18 shall be given for the period and in the manner required for
19 amending this constitution. The election shall be held in each
20 county in the manner provided by law for other statewide elections.

21 SECTION 5. Section 49a(a), Article III, Texas Constitution,
22 is amended to read as follows:

23 (a) It shall be the duty of the Comptroller of Public
24 Accounts in advance of each Regular Session and Budget Session of
25 the Legislature to prepare and submit to the Governor and to the
26 Legislature upon its convening a statement under oath showing fully
27 the financial condition of the State Treasury at the close of the

1 last fiscal year [~~period~~] and an estimate of the probable receipts
2 and disbursements for the then current fiscal year. There shall
3 also be contained in said statement an itemized estimate of the
4 anticipated revenue based on the laws then in effect that will be
5 received by and for the State from all sources showing the fund
6 accounts to be credited during the next fiscal year, [~~the~~
7 ~~succeeding biennium~~] and said statement shall contain such other
8 information as may be required by law. Supplemental statements
9 shall be submitted at any Special Session of the Legislature and at
10 such other times as may be necessary to show probable changes.

11 SECTION 6. Sections 49-g(b), (c), (g), (h), (j), (k), and
12 (l), Article III, Texas Constitution, are amended to read as
13 follows:

14 (b) The comptroller shall, not later than the 90th day of
15 each fiscal year [~~biennium~~], transfer to the economic stabilization
16 fund one-half of any unencumbered positive balance of general
17 revenues on the last day of the preceding fiscal year [~~biennium~~].
18 If necessary, the comptroller shall reduce the amount transferred
19 in proportion to the other amounts prescribed by this section to
20 prevent the amount in the fund from exceeding the limit in effect
21 for that fiscal year [~~biennium~~] under Subsection (g) of this
22 section.

23 (c) Not later than the 90th day of each fiscal year, the
24 comptroller of public accounts shall transfer from the general
25 revenue fund to the economic stabilization fund and the state
26 highway fund the sum of the amounts described by Subsections (d) and
27 (e) of this section, to be allocated as provided by Subsections

1 (c-1) and (c-2) of this section. However, if necessary and
2 notwithstanding the allocations prescribed by Subsections (c-1)
3 and (c-2) of this section, the comptroller shall reduce
4 proportionately the amounts described by Subsections (d) and (e) of
5 this section to be transferred and allocated to the economic
6 stabilization fund to prevent the amount in that fund from
7 exceeding the limit in effect for that fiscal year [~~biennium~~] under
8 Subsection (g) of this section. Revenue transferred to the state
9 highway fund under this subsection may be used only for
10 constructing, maintaining, and acquiring rights-of-way for public
11 roadways other than toll roads.

12 (g) During each fiscal year [~~biennium~~], the amount in the
13 economic stabilization fund may not exceed an amount equal to 10
14 percent of the total amount, excluding investment income, interest
15 income, and amounts borrowed from special funds, deposited in
16 general revenue during the preceding two fiscal years [~~biennium~~].

17 (h) In preparing an estimate of anticipated revenues for a
18 succeeding fiscal year [~~biennium~~] as required by Article III,
19 Section 49a, of this constitution, the comptroller shall estimate
20 the amount of the transfers that will be made under Subsections (b),
21 (d), and (e) of this section. The comptroller shall deduct that
22 amount from the estimate of anticipated revenues as if the
23 transfers were made on August 31 of that fiscal year.

24 (j) The comptroller may transfer money from the economic
25 stabilization fund to general revenue to prevent or eliminate a
26 temporary cash deficiency in general revenue. The comptroller
27 shall return the amount transferred to the economic stabilization

1 fund as soon as practicable, but not later than August 31 of the
2 fiscal year in which the transfer is made [~~each odd-numbered year~~].
3 The comptroller shall allocate the depository interest as if the
4 transfers had not been made. If the comptroller submits a statement
5 to the governor and the legislature under Article III, Section 49a,
6 of this constitution when money from the economic stabilization
7 fund is in general revenue, the comptroller shall state that the
8 transferred money is not available for appropriation from general
9 revenue.

10 (k) Amounts from the economic stabilization fund may be
11 appropriated during a regular or budget [~~legislative~~] session only
12 for a purpose for which an appropriation from general revenue was
13 made for the current fiscal year [~~by the preceding legislature~~] and
14 may be appropriated in a special session only for a purpose for
15 which an appropriation from general revenue was made in a preceding
16 legislative session of the same legislature. An appropriation from
17 the economic stabilization fund may be made under this subsection
18 only if the comptroller certifies that appropriations from general
19 revenue made for the current fiscal year [~~by the preceding~~
20 ~~legislature for the current biennium~~] exceed available general
21 revenues and cash balances for the remainder of that fiscal year
22 [~~biennium~~]. The amount of the [~~an~~] appropriation [~~from the~~
23 ~~economic stabilization fund~~] may not exceed the difference between
24 the comptroller's estimate of general revenue for the current
25 fiscal year [~~biennium~~] at the time the comptroller receives for
26 certification the bill making the appropriation and the amount of
27 general revenue appropriations for that fiscal year [~~biennium~~]

1 previously certified by the comptroller. Appropriations from the
2 economic stabilization fund under this subsection may not extend
3 beyond the last day of the current fiscal year [~~biennium~~]. An
4 appropriation from the economic stabilization fund under this
5 subsection must be approved by a three-fifths vote of the members
6 present in each house of the legislature.

7 (1) If an estimate of anticipated revenues for the [~~a~~]
8 succeeding fiscal year [~~biennium~~] prepared by the comptroller
9 pursuant to Article III, Section 49a, of this constitution is less
10 than the revenues that are estimated at the same time by the
11 comptroller to be available for the current fiscal year [~~biennium~~],
12 the legislature may, by a three-fifths vote of the members present
13 in each house, appropriate for the succeeding fiscal year
14 [~~biennium~~] from the economic stabilization fund an amount not to
15 exceed this difference. Following each fiscal year, the actual
16 amount of revenue shall be computed, and if the estimated
17 difference exceeds the actual difference, the comptroller shall
18 transfer the amount necessary from general revenue to the economic
19 stabilization fund so that the actual difference shall not be
20 exceeded. If all or a portion of the difference in revenue from one
21 fiscal year [~~biennium~~] to the next results, at least in part, from a
22 change in a tax rate or base adopted by the legislature, the
23 computation of revenue difference shall be adjusted to the amount
24 that would have been available had the rate or base not been
25 changed.

26 SECTION 7. Section 51-a(b), Article III, Texas
27 Constitution, is amended to read as follows:

1 (b) The Legislature may provide by General Law for medical
2 care, rehabilitation and other similar services for needy persons.
3 The Legislature may prescribe such other eligibility requirements
4 for participation in these programs as it deems appropriate and may
5 make appropriations out of state funds for such purposes. The
6 maximum amount paid out of state funds for assistance grants to or
7 on behalf of needy dependent children and their caretakers shall
8 not exceed one percent of the state budget. The Legislature by
9 general statute shall provide for the means for determining the
10 state budget amounts, including state and other funds appropriated
11 by the Legislature, to be used in establishing the ~~[biennial]~~ limit
12 for a fiscal year.

13 SECTION 8. Section 9, Article IV, Texas Constitution, is
14 amended to read as follows:

15 Sec. 9. The Governor shall, at the commencement of each
16 session of the Legislature, and at the close of the Governor's ~~[his]~~
17 term of office, give to the Legislature information, by message, of
18 the condition of the State; and the Governor ~~[he]~~ shall recommend to
19 the Legislature such measures as the Governor ~~[he]~~ may deem
20 expedient. The Governor ~~[He]~~ shall account to the Legislature for
21 all public moneys the Governor has received and paid out ~~[by him]~~,
22 from any funds subject to the Governor's ~~[his]~~ order, with
23 vouchers; and shall accompany the ~~[his]~~ message with a statement of
24 the same. And at the commencement of each regular session and
25 budget session, the Governor ~~[he]~~ shall present estimates of the
26 amount of money required to be raised by taxation for all purposes.

27 SECTION 9. Section 5(a), Article VII, Texas Constitution,

1 is amended to read as follows:

2 (a) The permanent school fund consists of all land
3 appropriated for public schools by this constitution or the other
4 laws of this state, other properties belonging to the permanent
5 school fund, and all revenue derived from the land or other
6 properties. The available school fund consists of the distributions
7 made to it from the total return on all investment assets of the
8 permanent school fund, the taxes authorized by this constitution or
9 general law to be part of the available school fund, and
10 appropriations made to the available school fund by the
11 legislature. The total amount distributed from the permanent school
12 fund to the available school fund:

13 (1) in [~~each year of~~] a state fiscal year [~~biennium~~]
14 must be an amount that is not more than six percent of the average of
15 the market value of the permanent school fund, excluding real
16 property belonging to the fund that is managed, sold, or acquired
17 under Section 4 of this article, but including discretionary real
18 assets investments and cash in the state treasury derived from
19 property belonging to the fund, on the last day of each of the 16
20 state fiscal quarters preceding the regular or budget session of
21 the legislature, as applicable, that begins before that state
22 fiscal year [~~biennium~~], in accordance with the rate adopted by:

23 (A) a vote of two-thirds of the total membership
24 of the State Board of Education, taken before that [~~the~~] regular or
25 budget session of the legislature convenes; or

26 (B) the legislature by general law or
27 appropriation, if the State Board of Education does not adopt a rate

1 as provided by Paragraph (A) of this subdivision; and

2 (2) over the 10-year period consisting of the current
3 state fiscal year and the nine preceding state fiscal years may not
4 exceed the total return on all investment assets of the permanent
5 school fund over the same 10-year period.

6 SECTION 10. Sections 20(d), (e), (f), and (g), Article VII,
7 Texas Constitution, are amended to read as follows:

8 (d) In each state fiscal year [~~biennium~~], the legislature
9 may appropriate as provided by Subsection (f) of this section all or
10 a portion of the total return on all investment assets of the fund
11 to carry out the purposes for which the fund is established.

12 (e) The legislature annually [~~biennially~~] shall allocate
13 the amounts appropriated under this section, or shall provide for
14 an annual [~~a biennial~~] allocation of those amounts, to eligible
15 state universities to carry out the purposes of the fund. The money
16 shall be allocated based on an equitable formula established by the
17 legislature or an agency designated by the legislature. The
18 legislature shall review and as appropriate adjust, or provide for
19 a review and adjustment, of the allocation formula at the end of
20 each state fiscal year [~~biennium~~].

21 (f) The portion of the total return on investment assets of
22 the fund that is available for appropriation in a state fiscal year
23 [~~biennium~~] under this section is the portion determined by the
24 legislature, or an agency designated by the legislature, as
25 necessary to provide as nearly as practicable a stable and
26 predictable stream of annual distributions to eligible state
27 universities and to maintain over time the purchasing power of fund

1 investment assets. If the purchasing power of fund investment
2 assets for any rolling 10-year period is not preserved, the
3 distributions may not be increased until the purchasing power of
4 the fund investment assets is restored. The amount appropriated
5 from the fund in any fiscal year may not exceed an amount equal to
6 seven percent of the average net fair market value of the investment
7 assets of the fund, as determined by law. Until the fund has been
8 invested for a period of time sufficient to determine the
9 purchasing power over a 10-year period, the legislature may provide
10 by law for means of preserving the purchasing power of the fund.

11 (g) The legislature shall establish criteria by which a
12 state university may become eligible to receive a portion of the
13 distributions from the fund. A state university that becomes
14 eligible to receive a portion of the distributions from the fund in
15 a state fiscal year [~~biennium~~] remains eligible to receive
16 additional distributions from the fund in any subsequent state
17 fiscal year [~~biennium~~]. The University of Texas at Austin and Texas
18 A&M University are not eligible to receive money from the fund.

19 SECTION 11. Section 6, Article VIII, Texas Constitution, is
20 amended to read as follows:

21 Sec. 6. No money shall be drawn from the Treasury but in
22 pursuance of specific appropriations made by law; nor shall any
23 appropriation of money be made for a longer term than one year [~~two~~
24 ~~years~~].

25 SECTION 12. Section 22(a), Article VIII, Texas
26 Constitution, is amended to read as follows:

27 (a) In no fiscal year [~~biennium~~] shall the rate of growth of

1 appropriations from state tax revenues not dedicated by this
2 constitution exceed the estimated rate of growth of the state's
3 economy. The legislature shall provide by general law procedures
4 to implement this subsection.

5 SECTION 13. The following temporary provision is added to
6 the Texas Constitution:

7 TEMPORARY PROVISION. (a) The constitutional amendment
8 proposed by the 87th Legislature, Regular Session, 2021, providing
9 for an annual state budget and annual legislative sessions for
10 budget purposes takes effect September 1, 2023.

11 (b) The amendment does not affect the validity of an
12 appropriation made before September 1, 2023, for any part of the two
13 consecutive state fiscal years ending August 31, 2025.

14 (c) This temporary provision expires January 1, 2026.

15 SECTION 14. This proposed constitutional amendment shall be
16 submitted to the voters at an election to be held November 2, 2021.
17 The ballot shall be printed to permit voting for or against the
18 proposition: "The constitutional amendment providing for an annual
19 state budget and annual legislative sessions for budget purposes."