

BILL ANALYSIS

Senate Research Center
88R9276 KBB-D

S.J.R. 56
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Legislature created the Emergency Stabilization Fund (ESF), commonly known as the "Rainy Day Fund," as a reserve for the state to use in times of fiscal volatility. The Constitution caps the maximum biennial ESF balance at 10 percent of certain General Revenue deposited to the account. Should the balance reach the cap, the Comptroller of Public Accounts of the State of Texas may reduce or eliminate transfers to the ESF, and credit interest earned on the ESF balance to the General Revenue Fund.

As Texas grows, so should its savings account. S.J.R. 56 proposes an amendment to the Texas Constitution to raise the cap on the maximum biennial ESF balance to 15 percent of certain General Revenue deposited to the account. S.J.R. 56 would also ensure investment income from the investment of amounts in the ESF would be credited to the fund.

S.J.R. 56 proposes a constitutional amendment to raise the maximum allowable amount of money in the economic stabilization fund and provides that certain income from investments of that fund is to be retained in that fund.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 49-g(g) and (i), Article III, Texas Constitution, as follows:

(g) Provides that, during each fiscal biennium, the amount in the economic stabilization fund (fund), other than investment income credited to the fund under Subsection (i) of Section 49-g (Economic Stabilization Fund; Allocation of Certain Oil and Gas Production Tax Revenue), is prohibited from exceeding an amount equal to 15 percent, rather than 10 percent, of the total amount, excluding investment income, interest income, and amounts borrowed from special funds, deposited in general revenue during the preceding biennium.

(i) Requires the Comptroller of Public Accounts of the State of Texas (comptroller) to credit to general revenue interest due to the fund that would result in an amount in the fund that exceeds the maximum amount provided by, rather than the limit in effect under, Subsection (g) of this section. Requires the comptroller to credit to the fund investment income due from the investment of amounts in the fund, other than interest income, irrespective of the maximum amount otherwise provided by Subsection (g) of this section.

SECTION 2. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 7, 2023. Sets forth the required language of the ballot.