

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 16, 2023

TO: Honorable Greg Bonnen, Chair, House Committee on Appropriations

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1392 by Craddick (Relating to the allocation of certain constitutional transfers of money to the economic stabilization fund, the state highway fund, and the Grow Texas fund and to the permissible uses of money deposited to the Grow Texas fund.), **As Introduced**

No significant fiscal implication to the State is anticipated. Any fiscal implications are reflected in the fiscal note for the corresponding joint resolution, HJR 27.

The bill would amend Sections 316.093 (a), (b) and (d) of the Government Code relating to the determination of a sufficient balance of the Economic Stabilization Fund (ESF) through fiscal 2034, and calculating allocations of oil and gas production tax revenue to the State Highway Fund (SHF) and new Grow Texas Fund (referenced in this bill and proposed by HJR 27, 88R). Additionally, the bill would add Section 316.093 (e) relating to the calculation of the ESF sufficient balance on and after fiscal 2035.

The bill would amend Subchapter G, Chapter 403 of the Government Code by adding Section 403.108 to create the Grow Texas Grant Program that would be administered jointly by the Comptroller of Public Accounts and the Grow Texas Fund Commission (created by the bill) using legislative appropriations to the Grow Texas Fund. Money in the fund could be appropriated to the Comptroller of Public Account for the purpose of funding grants to applicants selected by the commission under the program, as established by this bill.

The bill would make conforming changes to Section 316.092 and 316.093 of the Government Code.

The bill would repeal Section 316.02 (b) of the Government Code relating to adjusting transfers to the SHF when calculating the sufficient balance of the ESF.

This bill, in itself, would have no fiscal implications. Any fiscal implications would be reflected in the fiscal note for HJR 27.

The legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a fund either in, with, or outside of the Treasury, or dedicate or rededicate a revenue source. The dedication included in this bill, unless created by a constitutional amendment, would be subject to funds consolidation review by the current Legislature.

The bill would take effect September 1, 2025, but only if the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, providing for the creation of and use of money in the Grow Texas fund and allocating certain general revenues to that fund, the economic stabilization fund, and the state highway fund is approved by the voters. If that amendment is not approved by the voters, this bill would have no effect.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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