

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 25, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3461 by Bonnen (Relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue and allocation of accrued interest on dedicated revenue, and the exemption of unappropriated money from use for general governmental purposes.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for HB3461, As Passed 2nd House : a negative impact of (\$4,054,000) through the biennium ending August 31, 2025.

Any net gain or loss from the creation or re-creation of any funds or accounts as exempted in this bill, dependent upon the passage of another act of the 88th Legislature, Regular Session (2023) or appropriations made in the 2024-25 General Appropriations Act, cannot be estimated at this time.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$2,177,000)
2025	(\$1,877,000)
2026	(\$1,877,000)
2027	(\$1,877,000)
2028	(\$1,877,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from Solid Waste Disposal Acct 5000</i>	<i>Probable Revenue Gain/(Loss) from Sexual Assault Prog Acct 5010</i>	<i>Probable Revenue Gain/(Loss) from Deferred Maintenance 5166</i>
2024	(\$2,177,000)	(\$158,280,000)	\$1,240,000	\$937,000
2025	(\$1,877,000)	(\$11,838,000)	\$1,069,000	\$808,000
2026	(\$1,877,000)	(\$11,957,000)	\$1,069,000	\$808,000
2027	(\$1,877,000)	(\$12,076,000)	\$1,069,000	\$808,000
2028	(\$1,877,000)	(\$12,319,000)	\$1,069,000	\$808,000

<i>Fiscal Year</i>	<i>Probable Revenue Gain/(Loss) from Waste Management Acct 549</i>
2024	\$158,280,000
2025	\$11,838,000
2026	\$11,957,000
2027	\$12,076,000
2028	\$12,319,000

Fiscal Analysis

The bill would abolish all funds, accounts, and revenue dedications created or recreated by the 88th Legislature, Regular Session (2023), unless specifically exempted under separate sections of the bill.

Any funds, accounts, or revenue dedications abolished under the bill would be deposited to the credit of the unobligated portion of General Revenue Fund 0001.

The bill would exempt dedications, funds, and accounts that were enacted before the 88th Legislature or that remained exempt from abolishment under former Section 403.094(h) of the Government Code. The bill would exempt increases in existing fees or in other revenue that were previously dedicated or required to be deposited in a fund or account exempted prior to the 88th Legislature, Regular Session (2023).

Federal funds, created by the 88th Legislature, Regular Session (2023), for which separate accounting is required by federal law, would be exempt. Those funds would be deposited into accounts within General Revenue Fund 0001, unless otherwise required by federal law.

The bill would exempt all trust funds and bond funds created by the 88th Legislature, Regular Session (2023), except that the funds would have to be held in the State Treasury, with the Comptroller in trust, or outside the State Treasury with the Comptroller's approval.

The bill would exempt funds or accounts created or re-created or revenue dedicated or rededicated under a constitutional amendment proposed by an act of the 88th Legislature, Regular Session (2023), if approved by the voters.

The bill would reenact Section 403.0956, Government Code, relating to reallocation of interest accrued on certain dedicated revenue. This bill would expand exemption and add GR Account 5010-Sexual Assault Program and GR Account 5166 -Deferred Maintenance as accounts that would be allowed to retain interests accrued on their balances.

The bill would amend Sections 403.095(b), (d) and (f) of the Government Code to permit the Comptroller, as directed by the Legislature, to make reductions in dedicated accounts in the amounts by which estimated revenues and unobligated balances exceeded appropriations following certification of all appropriations enacted by the 88th Legislature. Dedicated revenues exceeding amounts appropriated would be available for certification through August 31, 2025. The section as amended would not apply to funds outside of the State Treasury, trust funds, funds created by the state constitution or a court, and funds for which separate accounting is required by federal law. Section 403.095 would expire September 1, 2025.

The bill would extend the provisions of Section 504.6012 of the Transportation Code, relating to certain license plates and the deposit of applicable fees payable to Fund 0802—License Plate Trust Fund.

The bill abolishes GR Account 5000 - Solid Waste Disposal Fees and transfers all balances and future revenues to GR Account 549 – Waste Management effective September 1, 2023.

The following funds, accounts, and dedications of revenue would be exempt from abolishment if created or re-created by Acts of the 88th Legislature, Regular Session (2023):

- GR Account - Lone Star Workforce of the Future
- GR Account - Gulf Coast Protection;
- GR Account - Food System Security Planning;
- GR Account - Food System Security and Resiliency Projects;
- GR Account created by HB 3771 or similar legislation;
- GR Account created by HB 4772 or similar legislation;
- GR Account Texas Semiconductor Innovation;
- GR Account created by SB 8 or similar legislation;
- GR Account - Statewide Water Public Awareness;
- GR Account - Renewable Energy Generation Facility Cleanup;
- GR Account - Port Access;

Open Burn Pit Registry Fund;
Texas Historical Commission Retail Operations Fund;
Leaking Water Wells Fund;
New Water Supply for Texas Fund;
Texas State Buildings Preservation Endowment Fund;
Iwo Jima Monument and Museum Fund;
Texas Energy Fund
Texas Technology and Innovation Trust
Space Exploration and Aeronautics Research Trust
Texas Pharmaceutical Initiative Trust
Historic Infrastructure Sustainability Trust

The revenue dedications in the following bills would be exempt from abolishment if created or re-created by Acts of the 88th Legislature, Regular Session (2023):

HB 5, HB 842, HB 1613, HB 1998, HB 2755, HB 3290, HB 3297, HB 3345, HB 3539, HB 3582, HB 3727, HB 4015, HB 4018, HB 4498, HB 4635, HB 5225, HB 5342, SB 505, SB 658, SB 1032, SB 1086, SB 1167, SB 1420 and SB 2102.

The bill would prevail over any other act of the 88th Legislature, Regular Session (2023)—regardless of the date of enactment—purporting to dedicate or rededicate a fund, account, or revenue in the State Treasury, or amending Section 403.095 of the Government Code.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority vote in both houses of the Legislature. Otherwise, it would take effect on the 91st day after the last day of the legislative session.

Methodology

The fiscal impact of the provisions of the bill related to allowing GR Account 5010-Sexual Assault Program and GR Account 5166 -Deferred Maintenance to retain interests accrued on their balances and abolishing GR Account 5000 - Solid Waste Disposal Fees and transfers all balances and future revenues to GR Account 549 – Waste Management are based on the Biennial Revenue Estimate.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, SD, BRI