

SENATE AMENDMENTS

2nd Printing

By: Canales

H.B. No. 2230

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the determination of the sufficient balance of the
3 economic stabilization fund for the purpose of allocating certain
4 constitutional transfers of money to that fund and the state
5 highway fund.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 316.092(b) and Sections 316.093(c) and
8 (d), Government Code, are repealed.

9 SECTION 2. This Act takes effect September 1, 2023.

ADOPTED

MAY 15 2023

Letsy Law
Secretary of the Senate

By: Nichols

H.B. No. 2230

Substitute the following for __.B. No. ____:

By: McCamphree ms

C.S. __.B. No. ____

A BILL TO BE ENTITLED

AN ACT

relating to the determination of the sufficient balance of the economic stabilization fund for the purpose of allocating general revenue to that fund and the state highway fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 316.092(b), Government Code, is amended to read as follows:

(b) This section expires December 31, 2042 [~~2034~~].

SECTION 2. Sections 316.093(c) and (d), Government Code, are amended to read as follows:

(c) For the purposes of Section 49-g(c-2), Article III, Texas Constitution, the comptroller shall adjust the allocation provided by Section 49-g(c-1) of that article of amounts to be transferred to the fund and to the state highway fund under Section 49-g(c) of that article in a state fiscal year beginning on or after September 1, 2043 [~~2035~~], so that the total of those amounts is transferred to the economic stabilization fund, except that the comptroller shall reduce a transfer made under this subsection as necessary to prevent the amount in the fund from exceeding the limit in effect for that biennium under Section 49-g(g) of that article.

(d) Subsections (a) and (b) and this subsection expire December 31, 2042 [~~2034~~].

SECTION 3. This Act takes effect September 1, 2023.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 15, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2230 by Canales (Relating to the determination of the sufficient balance of the economic stabilization fund for the purpose of allocating general revenue to that fund and the state highway fund.), **As Passed 2nd House**

There would be a sufficient loss from General Revenue and the Economic Stabilization Fund, and a corresponding gain to the State Highway Fund, beginning in fiscal year 2036.

The bill would extend the expiration of Section 316.092 (b) of the Government Code, relating to the determination of the sufficient balance of the economic stabilization fund (ESF) for the purpose of allocating general revenue (GR) to that fund and the state highway fund (SHF), from fiscal 2035 to 2043.

Likewise, the bill would extend Section 316.092 (c) of the Government Code, providing for allocation of the total amounts of severance tax revenue subject to transfer from GR to the ESF and consequent cessation of transfer to the SHF, from fiscal 2036 to 2044.

During fiscal years 2036 – 2044, assuming severance tax collections were to continue at current levels, there would be a gain to the SHF of about \$3,600,000,000 each year and an equivalent reduction to GR and/or the ESF, with the allocation of reduction between GR and the ESF depending on the balance of the ESF relative to its constitutional limit.

The bill would take effect September 1, 2023.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, SD, KK

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 10, 2023

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2230 by Canales (relating to the determination of the sufficient balance of the economic stabilization fund for the purpose of allocating general revenue to that fund and the state highway fund.), **Committee Report 2nd House, Substituted**

There would be a sufficient loss from General Revenue and the Economic Stabilization Fund, and a corresponding gain to the State Highway Fund, beginning in fiscal year 2036.

The bill would extend the expiration of Section 316.092 (b) of the Government Code, relating to the determination of the sufficient balance of the economic stabilization fund (ESF) for the purpose of allocating general revenue (GR) to that fund and the state highway fund (SHF), from fiscal 2035 to 2043.

Likewise, the bill would extend Section 316.092 (c) of the Government Code, providing for allocation of the total amounts of severance tax revenue subject to transfer from GR to the ESF and consequent cessation of transfer to the SHF, from fiscal 2036 to 2044.

During fiscal years 2036 – 2044, assuming severance tax collections were to continue at current levels, there would be a gain to the SHF of about \$3,600,000,000 each year and an equivalent reduction to GR and/or the ESF, with the allocation of reduction between GR and the ESF depending on the balance of the ESF relative to its constitutional limit.

The bill would take effect September 1, 2023.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 9, 2023

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2230 by Canales (Relating to the determination of the sufficient balance of the economic stabilization fund for the purpose of allocating certain constitutional transfers of money to that fund and the state highway fund.), **As Engrossed**

No fiscal implication to the State is anticipated in the near term. Significant fiscal implications would begin in fiscal year 2036.

The bill would amend Subchapter H (Allocation of Transfers to Economic Stabilization Fund and State Highway Fund), Chapter 316 (Appropriations) of the Government Code regarding the determination of the sufficient balance of the Economic Stabilization Fund (ESF) for the purpose of allocating constitutional transfers to that fund and to the State Highway Fund (SHF).

The bill would repeal Section 316.092 (b), which would remove the expiration date of the section.

The bill would repeal Section 316.093 (c) and (d), which would repeal the expiration date of the section and extend beyond fiscal 2035 the calculation of the sufficient balance of the ESF as it relates to the severance taxes transfer to the SHF and ESF. The repeal of Section 316.093 (c) would eliminate the cessation of transfers to the SHF after FY 2035, resulting in continuation of those transfers permanently.

The repeal of Sec. 316.092(b) would have no revenue implications. The repeal of Sec. 316.093(c) would result in significant revenue gain to the SHF, and corresponding loss to the ESF, after fiscal year 2035.

The bill would take effect September 1, 2023.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD

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: HB2230 by Canales (Relating to the determination of the sufficient balance of the economic stabilization fund for the purpose of allocating certain constitutional transfers of money to that fund and the state highway fund.), **As Introduced**

No fiscal implication to the State is anticipated in the near term. Significant fiscal implications would begin in fiscal year 2036.

The bill would amend Subchapter H (Allocation of Transfers to Economic Stabilization Fund and State Highway Fund), Chapter 316 (Appropriations) of the Government Code regarding the determination of the sufficient balance of the Economic Stabilization Fund (ESF) for the purpose of allocating constitutional transfers to that fund and to the State Highway Fund (SHF).

The bill would repeal Section 316.092 (b), which would remove the expiration date of the section.

The bill would repeal Section 316.093 (c) and (d), which would repeal the expiration date of the section and extend beyond fiscal 2035 the calculation of the sufficient balance of the ESF as it relates to the severance taxes transfer to the SHF and ESF. The repeal of Section 316.093 (c) would eliminate the cessation of transfers to the SHF after FY 2035, resulting in continuation of those transfers permanently.

The repeal of Sec. 316.092(b) would have no revenue implications. The repeal of Sec. 316.093(c) would result in significant revenue gain to the SHF, and corresponding loss to the ESF, after fiscal year 2035.

The bill would take effect September 1, 2023.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD