

BILL ANALYSIS

H.B. 4488
By: Bonnen
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that every Texas Legislature for more than two decades has passed a bill to consolidate funds by specifying which general revenue-dedicated accounts are available to use for budget certification and which are exempt. The bill author has also informed the committee that the legislature has recently worked to reduce the state's reliance on dedicated accounts for budget certification by appropriating funds from those accounts for lawful purposes and exempting others from certification. H.B. 4488 seeks to achieve this goal and enable the fund consolidation process.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 4488 abolishes all funds and accounts created or re-created and all dedications or rededications of revenue collected by an applicable state agency for a particular purpose by an act of the 89th Legislature, Regular Session, 2025, that becomes law, on the later date of August 31, 2025, or the date the act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect, except as otherwise specifically provided by the bill. For purposes of any of the bill's provisions that do not amend current law, the bill defines "state agency" as an office, institution, or other agency that is in the executive or judicial branch of state government, has authority that is not limited to a geographical portion of Texas, and was created by the Texas Constitution or a state statute, excluding a public institution of higher education. The bill provides certain exemptions from abolishment with respect to previously exempt dedications, funds, and accounts; federal funds; trust funds; bond funds; constitutional dedications, funds, and accounts; and newly authorized uses of a dedicated fund or dedicated account.

H.B. 4488 establishes that all interest and other earnings that accrue on all revenue held in an account in the general revenue fund, any part of which is made available for budget certification and that is created or re-created by an act of the 89th Legislature, Regular Session, 2025, are available for any general governmental purpose. The bill requires the comptroller of public accounts to deposit all such interest and earnings to the credit of the general revenue fund.

H.B. 4488, effective September 1, 2025, amends the Government Code to do the following:

- update references to the 88th Legislature in statutory provisions governing the use of dedicated revenue to reflect application of those provisions to the 89th Legislature;

- change from August 31, 2025, to August 31, 2027, the date on which dedicated revenues estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the legislature are considered available for general governmental purposes and for purposes of budget certification; and
- postpone the expiration date of those provisions from September 1, 2025, to September 1, 2027.

H.B. 4488, effective September 1, 2025, amends the Transportation Code to do the following:

- update the deadline by which the comptroller is required to eliminate all dedicated accounts established for specialty license plates and set aside the balances of those dedicated accounts for the purposes intended as provided by the dedications from not later than September 30, 2023, to not later than September 30, 2025; and
- change the time period during which the portion of a specialty license plate fee payable that is designated for deposit to a dedicated account is required to be paid instead to the credit of an account in a trust fund created by the comptroller outside the general revenue fund from on and after September 1, 2023, to on and after September 1, 2025.

H.B. 4488 expressly prevails over any other act of the 89th Legislature, Regular Session, 2025, regardless of the relative dates of enactment, that purports to do the following:

- create or re-create a special fund or account or to dedicate or rededicate revenue to a particular purpose, including any fund, account, or revenue dedication abolished under former applicable Government Code provisions; or
- allocate interest or other earnings that accrue on revenue held in an account in the general revenue fund any part of which is made available for budget certification.

The bill establishes that an exemption from the application of Government Code provisions relating to the use of dedicated revenue contained in another act of the 89th Legislature, Regular Session, 2025, that is exempted from the application of the bill's provisions relating to the abolishment of certain funds, accounts, and dedications and rededications of revenue has no effect. The bill requires revenue that, under the terms of another act of the 89th Legislature, Regular Session, 2025, would be deposited to the credit of a special account or fund to be deposited to the credit of the undedicated portion of the general revenue fund unless the fund, account, or dedication is exempted under the bill's provisions.

EFFECTIVE DATE

Except as otherwise provided, on passage, or, if the bill does not receive the necessary vote, the 91st day after the last day of the legislative session.