

AN ACT

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.

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

SECTION 1. DEFINITION. In any provision of this Act that does not amend current law, "state agency" means 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 the state, and was created by the constitution or a statute of this state. The term does not include an institution of higher education as defined by Section 61.003, Education Code.

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. Except as otherwise specifically provided by this Act, all funds and accounts created or re-created by an Act of the 89th Legislature, Regular Session, 2025, that becomes law and all dedications or rededications of revenue collected by a state agency for a particular purpose by an Act of the 89th Legislature, Regular Session, 2025, that becomes law are abolished on the later of August 31, 2025, or the date the Act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect.

SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND

1 ACCOUNTS. Section 2 of this Act does not apply to:

2 (1) statutory dedications, funds, and accounts that  
3 were enacted before the 89th Legislature convened to comply with  
4 requirements of state constitutional or federal law;

5 (2) dedications, funds, or accounts that remained  
6 exempt from former Section 403.094(h), Government Code, at the time  
7 dedications, accounts, and funds were abolished under that  
8 provision;

9 (3) increases in fees or other revenue dedicated as  
10 described by this section; or

11 (4) increases in fees or other revenue required to be  
12 deposited in a fund or account described by this section.

13 SECTION 4. FEDERAL FUNDS. Section 2 of this Act does not  
14 apply to funds created under an Act of the 89th Legislature, Regular  
15 Session, 2025, for which separate accounting is required by federal  
16 law, except that the funds shall be deposited in accounts in the  
17 general revenue fund unless otherwise required by federal law.

18 SECTION 5. TRUST FUNDS. Section 2 of this Act does not  
19 apply to trust funds or dedicated revenue deposited to trust funds  
20 created under an Act of the 89th Legislature, Regular Session,  
21 2025, except that the trust funds shall be held in the state  
22 treasury, with the comptroller in trust, or outside the state  
23 treasury with the comptroller's approval.

24 SECTION 6. BOND FUNDS. Section 2 of this Act does not apply  
25 to bond funds and pledged funds created or affected by an Act of the  
26 89th Legislature, Regular Session, 2025, except that the funds  
27 shall be held in the state treasury, with the comptroller in trust,

1 or outside the state treasury with the comptroller's approval.

2           SECTION 7. CONSTITUTIONAL DEDICATIONS, FUNDS, AND  
3 ACCOUNTS. Section 2 of this Act does not apply to funds or accounts  
4 that would be created or re-created by the Texas Constitution or  
5 revenue that would be dedicated or rededicated by the Texas  
6 Constitution under a constitutional amendment proposed by the 89th  
7 Legislature, Regular Session, 2025, or to dedicated revenue  
8 deposited to funds or accounts that would be so created or  
9 re-created, if the constitutional amendment is approved by the  
10 voters.

11           SECTION 8. ADDITIONAL USES FOR DEDICATED FUNDS OR ACCOUNTS.  
12 Section 2 of this Act does not apply to a newly authorized use of  
13 money in a dedicated fund or dedicated account as provided by an Act  
14 of the 89th Legislature, Regular Session, 2025, to the extent:

15                   (1) the fund or account was exempted from abolition by  
16 an Act of the legislature that became law before January 1, 2025;  
17 and

18                   (2) the newly authorized use is within the scope of the  
19 original dedication of the fund or account.

20           SECTION 9. ACCOUNTS IN GENERAL REVENUE FUND. Effective on  
21 the later of the effective date of the Act creating or re-creating  
22 the specified account or August 31, 2025, the following accounts,  
23 the revenue deposited to the credit of those accounts, and the  
24 revenue dedicated for deposit to the credit of those accounts are  
25 exempt from Section 2 of this Act and the accounts are created or  
26 re-created in the general revenue fund, if created or re-created by  
27 an Act of the 89th Legislature, Regular Session, 2025, that becomes

1 law:

2 (1) the Texas advanced nuclear development fund  
3 created as an account in the general revenue fund by House Bill  
4 No. 14 or similar legislation;

5 (2) the gulf coast protection account created as an  
6 account in the general revenue fund by House Bill No. 1089 or  
7 similar legislation;

8 (3) the nonprofit organizations supporting employees  
9 of the Department of Public Safety account created as an account in  
10 the general revenue fund by House Bill No. 3033 or similar  
11 legislation;

12 (4) the farm winery marketing assistance fund created  
13 as an account in the general revenue fund by House Bill No. 3385 or  
14 similar legislation;

15 (5) the critical infrastructure emergency response  
16 map fund created as an account in the general revenue fund by House  
17 Bill No. 4341 or similar legislation;

18 (6) the Quantum University and Business Innovation for  
19 Texas Fund created as an account in the general revenue fund by  
20 House Bill No. 4751 or similar legislation; and

21 (7) the program fund created as an account in the  
22 general revenue fund by Senate Bill No. 2 or similar legislation.

23 SECTION 10. SEPARATE FUNDS. Effective on the later of the  
24 effective date of the Act creating or re-creating the specified  
25 fund or August 31, 2025, the following funds, the revenue deposited  
26 to those funds, and the revenue dedicated for deposit to those funds  
27 are exempt from Section 2 of this Act and the funds are created or

re-created as separate funds inside or outside the state treasury, as specified by the Act creating or re-creating the fund, if created or re-created by an Act of the 89th Legislature, Regular Session, 2025, that becomes law:

(1) the workforce housing capital investment fund created as a fund in the state treasury by House Bill No. 4505 or similar legislation;

(2) the Dementia Prevention and Research Fund created as a fund in the state treasury by Senate Bill No. 5 or similar legislation and Senate Joint Resolution No. 3 or similar legislation;

(3) the Texas water fund administrative fund created as a fund in the state treasury by Senate Bill No. 7 or similar legislation;

(4) the Texas Strategic Bitcoin Reserve created as a fund outside the state treasury by Senate Bill No. 21 or similar legislation; and

(5) the Texas moving image industry incentive fund created as a fund outside the state treasury by Senate Bill No. 22 or similar legislation.

SECTION 11. REVENUE DEDICATIONS. Effective on the later of the effective date of the Act dedicating or rededicating the specified revenue or August 31, 2025, the following dedications or rededications of revenue collected for a particular purpose are exempt from Section 2 of this Act, if dedicated or rededicated by an Act of the 89th Legislature, Regular Session, 2025, that becomes law:

1           (1) the dedication of revenue to the oil and gas  
2 regulation and cleanup fund provided by House Bill No. 106 or  
3 similar legislation;

4           (2) the dedication of revenue to the state highway  
5 fund provided by House Bill No. 2427 or similar legislation;

6           (3) the dedication of revenue to the state highway  
7 fund provided by House Bill No. 2763 or similar legislation;

8           (4) the dedication of revenue to the water resource  
9 management account provided by House Bill No. 3866 or similar  
10 legislation;

11           (5) the dedication of revenue to the Texas Historical  
12 Commission retail operations fund provided by House Bill No. 4187  
13 or similar legislation;

14           (6) the dedication of revenue to the historic site  
15 account provided by Senate Bill No. 217 or similar legislation;

16           (7) the dedication of revenue to the compensation to  
17 victims of crime fund provided by Senate Bill No. 1065 or similar  
18 legislation;

19           (8) the dedication of revenue to the Texas Department  
20 of Insurance operating account provided by Senate Bill No. 1455 or  
21 similar legislation;

22           (9) the dedication of revenue to the clean air account  
23 provided by Senate Bill No. 1729 or similar legislation;

24           (10) the dedication of revenue to the clean air  
25 account provided by Senate Bill No. 1757 or similar legislation;

26           (11) the dedication of interest income to the ship  
27 channel improvement revolving fund provided by Senate Bill No. 1939

or similar legislation;

(12) the dedication of revenue to the water resource management account provided by Senate Bill No. 2037 or similar legislation;

(13) the dedication of revenue to the state highway fund provided by Senate Bill No. 2722 or similar legislation; and

(14) the dedication of revenue to the game, fish, and water safety account provided by Senate Bill No. 2801 or similar legislation.

SECTION 12. REALLOCATION OF INTEREST ACCRUED ON CERTAIN DEDICATED REVENUE. (a) This section applies only to an account in the general revenue fund:

(1) any part of which Section 403.095, Government Code, makes available for certification under Section 403.121, Government Code; and

(2) that is created or re-created by an Act of the 89th Legislature, Regular Session, 2025.

(b) Except as provided by this Act, all interest and other earnings that accrue on all revenue held in an account in the general revenue fund are available for any general governmental purpose.

(c) Except as provided by this Act, the comptroller shall deposit all interest and other earnings that accrue on all revenue held in an account in the general revenue fund to the credit of the general revenue fund.

SECTION 13. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. Effective September 1, 2025, Sections 403.095(b), (d), and (f),

1 Government Code, are amended to read as follows:

2 (b) Notwithstanding any law dedicating or setting aside  
3 revenue for a particular purpose or entity, dedicated revenues that  
4 on August 31, 2027 [~~2025~~], are estimated to exceed the amount  
5 appropriated by the General Appropriations Act or other laws  
6 enacted by the 89th [~~88th~~] Legislature are available for general  
7 governmental purposes and are considered available for the purpose  
8 of certification under Section 403.121.

9 (d) Following certification of the General Appropriations  
10 Act and other appropriations measures enacted by the 89th [~~88th~~]  
11 Legislature, the comptroller shall reduce each dedicated account as  
12 directed by the legislature by an amount that may not exceed the  
13 amount by which estimated revenues and unobligated balances exceed  
14 appropriations. The reductions may be made in the amounts and at  
15 the times necessary for cash flow considerations to allow all the  
16 dedicated accounts to maintain adequate cash balances to transact  
17 routine business. The legislature may authorize, in the General  
18 Appropriations Act, the temporary delay of the excess balance  
19 reduction required under this subsection. This subsection does not  
20 apply to revenues or balances in:

21 (1) funds outside the treasury;

22 (2) trust funds, which for purposes of this section  
23 include funds that may or are required to be used in whole or in part  
24 for the acquisition, development, construction, or maintenance of  
25 state and local government infrastructures, recreational  
26 facilities, or natural resource conservation facilities;

27 (3) funds created by the constitution or a court; or



(4) funds for which separate accounting is required by federal law.

(f) This section expires September 1, 2027 [~~2025~~].

SECTION 14. AMENDMENT OF SECTION 403.0956, GOVERNMENT CODE. Effective September 1, 2025, Section 403.0956, Government Code, is amended to read as follows:

Sec. 403.0956. REALLOCATION OF INTEREST ACCRUED ON CERTAIN DEDICATED REVENUE. Notwithstanding any other law, all interest or other earnings that accrue on all revenue held in an account in the general revenue fund any part of which Section 403.095 makes available for certification under Section 403.121 are available for any general governmental purpose, and the comptroller shall deposit the interest and earnings to the credit of the general revenue fund. This section does not apply to:

(1) interest or earnings on revenue deposited in accordance with Section 51.008, Education Code;

(2) an account that accrues interest or other earnings on deposits of state or federal money the diversion of which is specifically excluded by federal law;

(3) the lifetime license endowment account;

(4) the game, fish, and water safety account;

(5) the coastal protection account;

(6) the Alamo complex account;

(7) the artificial reef account;

(8) the sexual assault program fund; [~~or~~]

(9) the deferred maintenance fund account; or

(10) the program fund established under Section

1 29.353, Education Code.

2 SECTION 15. AMENDMENT OF SECTION 504.6012, TRANSPORTATION  
3 CODE. Effective September 1, 2025, Section 504.6012,  
4 Transportation Code, is amended to read as follows:

5 Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS;  
6 REVENUES IN TRUST. (a) Notwithstanding any other law, not later  
7 than September 30, 2025 [~~2023~~], the comptroller shall eliminate all  
8 dedicated accounts established for specialty license plates and  
9 shall set aside the balances of those dedicated accounts so that the  
10 balances may be appropriated only for the purposes intended as  
11 provided by the dedications.

12 (b) On and after September 1, 2025 [~~2023~~], the portion of a  
13 fee payable that is designated for deposit to a dedicated account  
14 shall be paid instead to the credit of an account in a trust fund  
15 created by the comptroller outside the general revenue fund. The  
16 comptroller shall administer the trust fund and accounts and may  
17 allocate the corpus and earnings on each account only in accordance  
18 with the dedications of the revenue deposited to the trust fund  
19 accounts.

20 SECTION 16. EFFECT OF ACT. (a) This Act prevails over any  
21 other Act of the 89th Legislature, Regular Session, 2025,  
22 regardless of the relative dates of enactment, that purports to  
23 create or re-create a special fund or account or to dedicate or  
24 rededicate revenue to a particular purpose, including any fund,  
25 account, or revenue dedication abolished under former Section  
26 403.094, Government Code.

27 (b) An exemption from the application of Section 403.095,

Government Code, contained in another Act of the 89th Legislature, Regular Session, 2025, that is exempted from the application of Section 2 of this Act has no effect.

(c) 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 shall be deposited to the credit of the undedicated portion of the general revenue fund unless the fund, account, or dedication is exempted under this Act.

(d) This Act prevails over any other Act of the 89th Legislature, Regular Session, 2025, regardless of the relative dates of enactment, that purports to allocate interest or other earnings that accrue on revenue held in an account in the general revenue fund any part of which Section 403.095, Government Code, makes available for certification under Section 403.121, Government Code.

SECTION 17. EFFECTIVE DATE. Except as otherwise provided by this Act:

(1) this Act takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.

H.B. No. 4488

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President of the Senate

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Speaker of the House

I certify that H.B. No. 4488 was passed by the House on May 7, 2025, by the following vote: Yeas 119, Nays 18, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4488 on May 28, 2025, by the following vote: Yeas 108, Nays 27, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 4488 was passed by the Senate, with amendments, on May 26, 2025, by the following vote: Yeas 29, Nays 2.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor