

By: Huffman

S.B. No. 2191

A BILL TO BE ENTITLED

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,

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

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

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

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

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

SECTION 9. 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.

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

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

9 SECTION 10. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE.
10 Effective September 1, 2025, Sections 403.095(b), (d), and (f),
11 Government Code, are amended to read as follows:

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

19 (d) Following certification of the General Appropriations
20 Act and other appropriations measures enacted by the 89th [~~88th~~]
21 Legislature, the comptroller shall reduce each dedicated account as
22 directed by the legislature by an amount that may not exceed the
23 amount by which estimated revenues and unobligated balances exceed
24 appropriations. The reductions may be made in the amounts and at the
25 times necessary for cash flow considerations to allow all the
26 dedicated accounts to maintain adequate cash balances to transact
27 routine business. The legislature may authorize, in the General

Appropriations Act, the temporary delay of the excess balance reduction required under this subsection. This subsection does not apply to revenues or balances in:

(1) funds outside the treasury;

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

(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 11. AMENDMENT OF SECTION 504.6012, TRANSPORTATION CODE. Effective September 1, 2025, Section 504.6012, Transportation Code, is amended to read as follows:

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

(b) On and after September 1, 2025 [~~2023~~], the portion of a fee payable that is designated for deposit to a dedicated account shall be paid instead to the credit of an account in a trust fund created by the comptroller outside the general revenue fund. The

1 comptroller shall administer the trust fund and accounts and may
2 allocate the corpus and earnings on each account only in accordance
3 with the dedications of the revenue deposited to the trust fund
4 accounts.

5 SECTION 12. EFFECT OF ACT. (a) This Act prevails over any
6 other Act of the 89th Legislature, Regular Session, 2025,
7 regardless of the relative dates of enactment, that purports to
8 create or re-create a special fund or account or to dedicate or
9 rededicate revenue to a particular purpose, including any fund,
10 account, or revenue dedication abolished under former Section
11 403.094, Government Code.

12 (b) An exemption from the application of Section 403.095,
13 Government Code, contained in another Act of the 89th Legislature,
14 Regular Session, 2025, that is exempted from the application of
15 Section 2 of this Act has no effect.

16 (c) Revenue that, under the terms of another Act of the 89th
17 Legislature, Regular Session, 2025, would be deposited to the
18 credit of a special account or fund shall be deposited to the credit
19 of the undedicated portion of the general revenue fund unless the
20 fund, account, or dedication is exempted under this Act.

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

1 SECTION 13. EFFECTIVE DATE. Except as otherwise provided
2 by this Act:

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

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