

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 23, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4488 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.), **Committee Report 2nd House, Substituted**

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 89th Legislature, Regular Session (2025) or appropriations made in the 2026-27 General Appropriations Act, cannot be estimated at this time.

The bill would abolish all funds, accounts, and revenue dedications created or recreated by the 89th Legislature, Regular Session (2025), 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 89th 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 was previously dedicated or required to be deposited in a fund or account exempted prior to the 89th Legislature, Regular Session (2025).

Federal funds, created by the 89th Legislature, Regular Session (2025), 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 89th Legislature, Regular Session (2025), 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 89th Legislature, Regular Session (2025), if approved by the voters.

The following accounts and funds would be exempt from abolishment if created or re-created by Acts of the 89th Legislature, Regular Session (2025):

- GR Account – Advanced Nuclear Development
- GR Account – Gulf Coast Protection
- GR Account – Nonprofit Organizations Supporting Employees of the Department of Public Safety
- GR Account – Farm Winery Marketing Assistance
- GR Account – Critical Infrastructure Emergency Response Map
- GR Account – Quantum University and Business Innovation for Texas
- GR Account – Program Fund (for the administration of education savings accounts)
- GR Account – Hemp Laws
- Workforce Housing Capital Investment Fund

- Dementia Prevention and Research Fund
- Texas Water Fund Administrative Fund
- Texas Strategic Bitcoin Reserve (created outside the state treasury)
- Texas Moving Image Industry Incentive fund (created outside the state treasury)

The revenue dedications in the following bills would be exempt from abolishment if created or re-created by Acts of the 89th Legislature, Regular Session (2025):
HB 106, HB 2427, HB 2763, HB 3866, HB 4187, SB 217, SB 1065, SB 1455, SB 1729, SB 1757, SB 1939, SB 2037, SB 2722, SB 2801.

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 89th Legislature. Dedicated revenues exceeding amounts appropriated would be available for certification through August 31, 2027. 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, 2027.

The bill would reenact Section 403.0956, Government Code, relating to reallocation of interest accrued on certain dedicated revenue. This bill would expand the exemption to add new GR Account – Program Fund (for the administration of education savings accounts) as an account that would be allowed to retain interest accrued on its balance.

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 would prevail over any other act of the 89th Legislature, Regular Session (2025)—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.

The funds, accounts, and revenue dedications that would be abolished and become part of General Revenue Fund 0001 cannot be determined at this time. 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 89th Legislature, Regular Session (2025) or appropriations made in the 2026-27 General Appropriations Act, cannot be estimated at this time.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD, BRI