By: Turner H.B. No. 1129

A BILL TO BE ENTITLED

AN ACT

relating to repealing the education savings account program.

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

SECTION 1. The following provisions are repealed:

(1) Subchapter J, Chapter 29, Education Code;

(2) Sections 22A.001(4) and (5), Education Code;

(3) Section 22A.302, Education Code;

(4) Section 411.109(b-1), Government Code; and

(5) Section 3, Chapter 2 (S.B. 2), Acts of the 89th Legislature, Regular Session, 2025, which amended Section 22.092(d), Education Code.

SECTION 2. 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;

(9) the deferred maintenance fund account; or

(10) the ship channel improvement revolving fund

[~~(10) the program fund established under Section 29.353, Education Code~~].

SECTION 3. (a) On the effective date of this Act, the program fund established under Subchapter J, Chapter 29, Education Code, as repealed by this Act, is abolished and the unencumbered balance of the program fund is transferred to the general revenue fund.

(b) Money from the program fund established under Subchapter J, Chapter 29, Education Code, as repealed by this Act, that is encumbered because the money is obligated by contract before the effective date of this Act, but under the terms of the contract will not be distributed until a later date, shall be held in trust by the comptroller as trustee outside the state treasury and shall be administered by the comptroller as trustee to ensure that the money is distributed in accordance with the terms of the contract. If the comptroller determines that the money will not be distributed in accordance with the terms of the contract, the comptroller shall transfer that money to the general revenue fund.

SECTION 4. Money transferred to an education savings account established under Subchapter J, Chapter 29, Education Code, as that subchapter existed immediately before the effective date of this Act, for the 2026-2027 school year is subject to the requirements of that subchapter, including any rules or procedures adopted by the comptroller related to the administration of the education savings account program established under that subchapter, and that law is continued in effect for that purpose.

SECTION 5. To the extent of any conflict, this Act prevails over another Act of the 90th Legislature, Regular Session, 2027, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 6. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2027.