

BILL ANALYSIS

Senate Research Center

H.B. 6
By: Otto et al. (Hinojosa)
Finance
5/11/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Historically, dedications of revenue for particular purposes have limited the legislature's flexibility in appropriating funds based on budgetary need and in using fund balances for other governmental purposes. Over 20 years ago, the legislature enacted provisions relating to the consolidation of funds in existence before the end of the fiscal biennium. These provisions provided for the abolition of dedications in existence prior to the end of the next fiscal biennium, unless otherwise expressly exempted.

H.B. 6 seeks to enact a similar consolidation, as it relates to the creation and re-creation of funds and accounts in the state treasury, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

H.B. 6 abolishes all funds and accounts created or re-created and all dedications or rededications of revenue collected by a state agency for a particular purpose by an act of the 84th Legislature, Regular Session, 2015, that becomes law, on the later date of August 31, 2015, 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. H.B. 6 exempts from abolition by the bill:

- statutory dedications, funds, and accounts that were enacted before the 84th Legislature convened to comply with requirements of state constitutional or federal law; dedications, funds, or accounts that remained exempt from former state law consolidating certain state funds and abolishing certain fund dedications at the time dedications, accounts, and funds were abolished under that law; increases in fees or in other such dedicated revenue; and increases in fees or in other revenue required to be deposited in such a fund or account;
- funds created under an act of the 84th Legislature, Regular Session, 2015, for which separate accounting is required by federal law, except that such funds are required to be deposited in accounts in the general revenue fund unless otherwise required by federal law;
- trust funds or dedicated revenue deposited to trust funds created under an act of the 84th Legislature, Regular Session, 2015, except that such trust funds are required to be held in the state treasury, with the comptroller of public accounts of the State of Texas in trust, or outside the state treasury with the comptroller's approval;
- bond funds and pledged funds created or affected by an act of the 84th Legislature, Regular Session, 2015, except that such funds are required to be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval;
- funds or accounts that would be created or re-created by the Texas Constitution, or revenue that would be dedicated or rededicated by the constitution under a constitutional amendment proposed by the 84th Legislature, Regular Session, 2015, and dedicated revenue deposited to funds or accounts that would be created or re-created if such a constitutional amendment is approved by the voters; and
- a newly authorized dedication of or use of a dedicated fund, a dedicated account, or dedicated revenue as provided by an act of the 84th Legislature, Regular Session, 2015, to the extent that act affects a fund, an account, or revenue that was exempted from funds consolidation before January 1, 2015.

H.B. 6 amends current law relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. DEFINITION. Defines “state agency.” Provides that the term does not include an institution of higher education as defined by Section 61.003 (Definitions), Education Code.

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. Abolishes all funds and accounts, except as otherwise specifically provided by this Act, created or re-created by an Act of the 84th Legislature, Regular Session, 2015, that becomes law and all dedications or rededications of revenue collected by a state agency for a particular purpose by an Act of the 84th Legislature, Regular Session, 2015, that becomes law on the later of August 31, 2015, 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 ACCOUNTS. Provides that Section 2 of this Act does not apply to:

- (1) statutory dedications, funds, and accounts that were enacted before the 84th Legislature convened to comply with requirements of state constitutional or federal law;
- (2) dedications, funds, or accounts that remained exempt from former Section 403.094(h), Government Code, at the time dedications, accounts, and funds were abolished under that provision;
- (3) increases in fees or in other revenue dedicated as described by this section; or
- (4) increases in fees or in other revenue required to be deposited in a fund or account described by this section.

SECTION 4. FEDERAL FUNDS. Provides that Section 2 of this Act does not apply to funds created under an Act of the 84th Legislature, Regular Session, 2015, for which separate accounting is required by federal law, except that the funds shall be deposited in accounts in the general revenue fund unless otherwise required by federal law.

SECTION 5. TRUST FUNDS. Provides that Section 2 of this Act does not apply to trust funds or dedicated revenue deposited to trust funds created under an Act of the 84th Legislature, Regular Session, 2015, except that the trust funds shall be held in the state treasury, with the comptroller of public accounts of the State of Texas (comptroller) in trust, or outside the state treasury with the comptroller's approval.

SECTION 6. BOND FUNDS. Provides that Section 2 of this Act does not apply to bond funds and pledged funds created or affected by an Act of the 84th Legislature, Regular Session, 2015, except that the funds 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 FUNDS. Provides that 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 84th Legislature, Regular Session, 2015, 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, ACCOUNTS, OR REVENUE. Provides that Section 2 of this Act does not apply to a newly authorized dedication of or use of a dedicated fund, a dedicated account, or dedicated revenue as provided by an Act of the 84th Legislature, Regular Session, 2015, to the extent that Act affects a fund, an account, or revenue that was exempted from funds consolidation before January 1, 2015. Authorizes a dedicated fund, a dedicated account, or dedicated revenue that was exempted from funds consolidation before January 1, 2015, to be used as an Act of the 84th Legislature, Regular Session, 2015, provides, and provides that a change in the name or authorized use of a previously exempted dedicated fund or account does not affect the fund's or account's dedicated nature.

SECTION 9. TEXAS DEPARTMENT OF MOTOR VEHICLES FUND. Provides that on September 1, 2015, the Texas Department of Motor Vehicles fund created by Section 1001.151 (Texas Department of Motor Vehicles Fund), Transportation Code, as enacted by Section 71 (relating to the Texas Department of Motor Vehicles Fund), Chapter 1287 (relating to the disposition of fees collected by or on behalf of the Texas Department of Motor Vehicles; authorizing fees) (H.B. 2202), Acts of the 83rd Legislature, Regular Session, 2013, is re-created by this Act as a special fund in the state treasury outside the general revenue fund, and all revenue dedicated for deposit to the credit of the Texas Department of Motor Vehicles fund by a provision of Chapter 1287 (H.B. 2202), Acts of the 83rd Legislature, Regular Session, 2013, is rededicated by this Act for that purpose. Provides that Section 2 of this Act does not apply to the fund as re-created by this Act or a dedication of revenue to the fund as rededicated by this Act.

SECTION 10. ENVIRONMENTAL RADIATION AND PERPETUAL CARE ACCOUNT. Provides that on September 1, 2015, the environmental radiation and perpetual care account created by Section 401.306 (Environmental Radiation and Perpetual Care Account), Health and Safety Code, as enacted by Section 12 (relating to the Environmental Radiation and Perpetual Care Account), Chapter 1159 (relating to funding for the operations of the Texas Low-Level Radioactive Waste Disposal Compact Commission and to the disposal of certain low-level radioactive waste) (S.B. 347), Acts of the 83rd Legislature, Regular Session, 2013, is re-created by this Act as an account in the general revenue fund, and all revenue dedicated for deposit to the credit of the environmental radiation and perpetual care account by a provision of Chapter 1159 (S.B. 347), Acts of the 83rd Legislature, Regular Session, 2013, is rededicated by this Act for that purpose. Provides that Section 2 of this Act does not apply to the account as re-created by this Act or a dedication of revenue to the account as rededicated by this Act.

SECTION 11. SPECIAL FUND FOR MONEY RECEIVED FROM FEDERAL GOVERNMENT. Provides that Section 2 of this Act does not apply to a special fund in the state treasury established by the comptroller for the purpose of holding money received from the federal government as authorized by House Bill No. 8 (relating to the deposit of money received from the federal government), or by similar legislation of the 84th Legislature, Regular Session, 2015, that becomes law.

SECTION 12. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. Amends Sections 403.095 by amending Subsections (b), (d), and (e), and adding Subsection (f) Government Code, effective September 1, 2015, as follows:

(b) Provides that dedicated revenues that on August 31, 2017, rather than on August 31, 2015, are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 84th Legislature, rather than the 83rd Legislature, notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121 (Contents of Estimate).

(d) Requires the comptroller, following certification of the General Appropriations Act and other appropriations measures enacted by the 84th Legislature, rather than the 83rd Legislature, to reduce each dedicated account as directed by the legislature by an amount that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations.

(e) Provides that notwithstanding Subsection (b), dedicated revenues in the enumerated accounts or funds set forth in this subsection or that by law are directed to be deposited to the credit of those accounts or funds are not available for general governmental purposes and are not considered available for certification under Section 403.121.

(f) Provides that this section expires September 1, 2017, rather than September 1, 2015.

SECTION 13. EFFECT OF ACT. (a) Provides that this Act prevails over any other Act of the 84th Legislature, Regular Session, 2015, regardless of the relative dates of enactment, that purports to 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 Section 403.094, Government Code.

(b) Provides that an exemption from the application of Section 403.095, Government Code, contained in another Act of the 84th Legislature, Regular Session, 2015, that is exempted from the application of Section 2 of this Act has no effect.

(c) Requires that revenue that, under the terms of another Act of the 84th Legislature, Regular Session, 2015, would be deposited to the credit of a special account or fund 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.

SECTION 14. EFFECTIVE DATE. Effective date, except as otherwise provided by this Act: upon passage or the 91st day after the last day of the legislative session.