

1-1 By: Hancock, Birdwell, Creighton S.B. No. 9  
 1-2 (In the Senate - Filed March 10, 2015; March 10, 2015, read  
 1-3 first time and referred to Committee on Finance; April 7, 2015,  
 1-4 reported adversely, with favorable Committee Substitute by the  
 1-5 following vote: Yeas 9, Nays 5; April 7, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Hinojosa			X	
1-9 Bettencourt	X			
1-10 Eltife		X		
1-11 Hancock	X			
1-12 Huffman	X			
1-13 Kolthorst	X			
1-14 Nichols	X			
1-15 Schwertner	X			
1-16 Seliger	X			
1-17 Taylor of Galveston	X			
1-18 Uresti		X		
1-19 Watson		X		
1-20 West		X		
1-21 Whitmire		X		

1-23 COMMITTEE SUBSTITUTE FOR S.B. No. 9 By: Hancock

1-24 A BILL TO BE ENTITLED  
 1-25 AN ACT

1-26 relating to the constitutional limit on the rate of growth of  
 1-27 appropriations.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. Sections 316.001, 316.002, and 316.006,  
 1-30 Government Code, are amended to read as follows:

1-31 Sec. 316.001. LIMIT. (a) For purposes of this subchapter,  
 1-32 "consolidated general revenue appropriations" means appropriations  
 1-33 from:

- 1-34 (1) the general revenue fund in the state treasury;
- 1-35 (2) a dedicated account in the general revenue fund in  
 1-36 the state treasury; or
- 1-37 (3) a general revenue-related fund in the state  
 1-38 treasury as identified in the biennial statement required of the  
 1-39 comptroller under Section 49a, Article III, Texas Constitution.

1-40 (b) The rate of growth of consolidated general revenue  
 1-41 appropriations in a state fiscal biennium [~~from state tax revenues~~  
 1-42 ~~not dedicated by the constitution~~] may not exceed the average  
 1-43 biennial rate of growth of this state's population during the state  
 1-44 fiscal biennium preceding the biennium for which appropriations are  
 1-45 made and during the state fiscal biennium for which appropriations  
 1-46 are made adjusted by the average biennial rate of monetary  
 1-47 inflation in this state during the same period, as determined under  
 1-48 Section 316.002 [estimated rate of growth of the state's economy].

1-49 (c) For purposes of this subchapter, an appropriation to pay  
 1-50 for a rebate of state taxes must be excluded from computations used  
 1-51 to determine whether appropriations exceed the amount authorized by  
 1-52 Subsection (b).

1-53 (d) The Legislative Budget Board shall determine the rates  
 1-54 described by Subsection (b) using the most recent information  
 1-55 available from sources the board considers reliable, including the  
 1-56 Federal Reserve Bank of Dallas and the Texas State Data Center.

1-57 Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD.  
 1-58 (a) Before the Legislative Budget Board transmits [~~submits~~]  
 1-59 the budget for the next state fiscal biennium as prescribed by Section  
 1-60 322.008(c), the board shall establish[+]

2-1 ~~[(1)]~~ the limit on the rate of growth in consolidated  
 2-2 general revenue appropriations for that state fiscal biennium, as  
 2-3 compared to the previous state fiscal biennium, by subtracting one  
 2-4 from the product of:

2-5 (1) the sum of one and the estimated average biennial  
 2-6 rate of growth of this state's population during the state fiscal  
 2-7 biennium preceding the biennium for which appropriations are made  
 2-8 and during the state fiscal biennium for which appropriations are  
 2-9 made; and

2-10 (2) the sum of one and the estimated average biennial  
 2-11 rate of monetary inflation during the state fiscal biennium  
 2-12 preceding the biennium for which appropriations are made and during  
 2-13 the state fiscal biennium for which appropriations are made [the  
 2-14 state's economy from the current biennium to the next biennium;

2-15 ~~[(2) the level of appropriations for the current~~  
 2-16 ~~biennium from state tax revenues not dedicated by the constitution;~~  
 2-17 ~~and~~

2-18 ~~[(3) the amount of state tax revenues not dedicated by~~  
 2-19 ~~the constitution that could be appropriated for the next biennium~~  
 2-20 ~~within the limit established by the estimated rate of growth of the~~  
 2-21 ~~state's economy].~~

2-22 (b) Except as provided by Subsection (c), the board shall  
 2-23 determine for the next state fiscal biennium a limit on the amount  
 2-24 of consolidated general revenue appropriations by multiplying the  
 2-25 amount of consolidated general revenue appropriations for the then  
 2-26 current state fiscal biennium by the sum of one and the limit on the  
 2-27 rate of growth of consolidated general revenue appropriations  
 2-28 determined by the board under Subsection (a) ~~[the estimated rate of~~  
 2-29 ~~growth of the state's economy by dividing the estimated Texas total~~  
 2-30 ~~personal income for the next biennium by the estimated Texas total~~  
 2-31 ~~personal income for the current biennium. Using standard~~  
 2-32 ~~statistical methods, the board shall make the estimate by~~  
 2-33 ~~projecting through the biennium the estimated Texas total personal~~  
 2-34 ~~income reported by the United States Department of Commerce or its~~  
 2-35 ~~successor in function].~~

2-36 (c) If the rate determined under Subsection (a) is a  
 2-37 negative number, the amount of consolidated general revenue  
 2-38 appropriations for the next state fiscal biennium may not exceed  
 2-39 the amount of consolidated general revenue appropriations in the  
 2-40 current state fiscal biennium [If a more comprehensive definition  
 2-41 of the rate of growth of the state's economy is developed and is  
 2-42 approved by the committee established by Section 316.005, the board  
 2-43 may use that definition in calculating the limit on  
 2-44 appropriations].

2-45 (d) To ensure compliance with Section 22, Article VIII,  
 2-46 ~~[Section 22, of the]~~ Texas Constitution, the Legislative Budget  
 2-47 Board may not transmit in any form to the governor or the  
 2-48 legislature the budget as prescribed by Section 322.008(c) or the  
 2-49 general appropriations bill as prescribed by Section 322.008(d)  
 2-50 until the limit on the rate of growth of appropriations has been  
 2-51 adopted as required by this subchapter.

2-52 (e) In the absence of an action by the Legislative Budget  
 2-53 Board to adopt a ~~[spending]~~ limit on consolidated general revenue  
 2-54 appropriations as provided by this section, [in Subsections (a) and  
 2-55 (b), the estimated rate of growth in the state's economy from the  
 2-56 current biennium to the next biennium shall be treated as if it were  
 2-57 zero, and] the amount of consolidated general revenue  
 2-58 appropriations available for the next state fiscal biennium [state  
 2-59 tax revenues not dedicated by the constitution that could be  
 2-60 appropriated] within the limit established by this section is [the  
 2-61 estimated rate of growth in the state's economy shall be] the same  
 2-62 as the amount [level] of consolidated general revenue  
 2-63 appropriations for the current state fiscal biennium.

2-64 Sec. 316.006. LIMIT ON BUDGET RECOMMENDATIONS. Unless  
 2-65 authorized by majority vote of the members of the board from each  
 2-66 house, the Legislative Budget Board budget recommendations  
 2-67 relating to the proposed consolidated general revenue  
 2-68 appropriations [of state tax revenues not dedicated by the  
 2-69 constitution] may not exceed the limit adopted by the committee

3-1 under Section 316.005.

3-2 SECTION 2. Section 316.007(a), Government Code, is amended  
3-3 to read as follows:

3-4 (a) The Legislative Budget Board shall include in its budget  
3-5 recommendations the proposed limit on consolidated general revenue  
3-6 [~~of~~] appropriations [~~from state tax revenues not dedicated by the~~  
3-7 ~~constitution~~].

3-8 SECTION 3. Section 316.008(a), Government Code, is amended  
3-9 to read as follows:

3-10 (a) Unless the legislature adopts a resolution under  
3-11 Section 22, Article VIII, [~~Section 22(b), of the~~] Texas  
3-12 Constitution, raising the proposed limit on consolidated general  
3-13 revenue appropriations, the proposed limit is binding on the  
3-14 legislature with respect to all consolidated general revenue  
3-15 appropriations for the next state fiscal biennium [~~made from state~~  
3-16 ~~tax revenues not dedicated by the constitution~~].

3-17 SECTION 4. The changes in law made by this Act apply only,  
3-18 as applicable, in relation to appropriations made for the state  
3-19 fiscal biennium beginning September 1, 2017, and subsequent state  
3-20 fiscal bienniums. Appropriations for the state fiscal biennium  
3-21 that begins September 1, 2015, are governed by Sections 316.001,  
3-22 316.002, 316.006, 316.007, and 316.008, Government Code, as those  
3-23 sections existed on December 1, 2014, and the former law is  
3-24 continued in effect for that purpose.

3-25 SECTION 5. This Act takes effect on the date on which the  
3-26 constitutional amendment proposed by the 84th Legislature, Regular  
3-27 Session, 2015, concerning the limitation on the rate of growth in  
3-28 appropriations takes effect. If that amendment is not approved by  
3-29 the voters, this Act has no effect.

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