

By: Perry

S.B. No. 137

A BILL TO BE ENTITLED

AN ACT

relating to the maximum rate of growth of appropriations.

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

SECTION 1. Sections 316.001, 316.002, 316.003, 316.004, and 316.006, Government Code, are amended to read as follows:

Sec. 316.001. APPROPRIATIONS LIMIT; RATE OF GROWTH. (a) The amount of appropriations from the state treasury for a fiscal biennium may not exceed the amount determined in accordance with this subchapter.

(b) The maximum rate of growth of appropriations from the state treasury for a fiscal biennium, as compared to the preceding fiscal [in a] biennium, is the lesser of the following rates:

(1) [from state tax revenues not dedicated by the constitution may not exceed] the estimated rate of growth of personal income of this [the] state's residents; or

(2) a rate equal to the sum of:

(A) the estimated biennial rate of growth of this state's population; and

(B) the estimated biennial rate of monetary inflation in this state [economy].

Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD.

(a) Before the Legislative Budget Board submits the budget as prescribed by Section 322.008(c), the board shall determine [establish]:

1 (1) the estimated rate of growth of personal income of
2 this [the] state's residents [economy] from the current fiscal
3 biennium to the next fiscal biennium, determined as provided by
4 Subsection (b);

5 (2) a rate equal to the sum of:

6 (A) the estimated biennial rate of growth of this
7 state's population, determined as provided by Subsection (c); and

8 (B) the estimated biennial rate of monetary
9 inflation in this state, determined as provided by Subsection (d);

10 (3) the amount [level] of appropriations for the
11 current fiscal biennium [~~from state tax revenues not dedicated by~~
12 ~~the constitution~~]; and

13 (4) [~~(3)~~] the maximum permissible amount of
14 appropriations of revenue from the state treasury [state tax
15 ~~revenues not dedicated by the constitution that could be~~
16 ~~appropriated] for the next fiscal biennium [~~within the limit~~
17 ~~established] by multiplying the total amount of appropriations for
18 the current fiscal biennium by the sum of one and the maximum rate
19 of growth of appropriations as provided by Section 316.001 [the
20 ~~estimated rate of growth of the state's economy].~~~~~~

21 (b) The Legislative Budget Board [~~Except as provided by~~
22 ~~Subsection (c), the board] shall determine the estimated rate of
23 growth of personal income of this [the] state's residents [economy]
24 by dividing the estimated Texas total personal income for the next
25 fiscal biennium by the estimated Texas total personal income for
26 the current fiscal biennium. Using standard statistical methods,
27 the board shall make the estimate by projecting through the fiscal~~

1 biennium the estimated Texas total personal income reported by the
2 United States Department of Commerce or its successor in function.

3 (c) The Legislative Budget Board shall determine the
4 estimated biennial rate of growth of this state's population
5 according to estimates provided by the state demographer. [~~If a~~
6 ~~more comprehensive definition of the rate of growth of the state's~~
7 ~~economy is developed and is approved by the committee established~~
8 ~~by Section 316.005, the board may use that definition in~~
9 ~~calculating the limit on appropriations.~~]

10 (d) The Legislative Budget Board shall determine the
11 estimated biennial rate of monetary inflation in this state based
12 on the estimated rate of change during the preceding fiscal
13 biennium of the effective consumer price index for this state.

14 (e) To ensure compliance with Section 22, Article VIII,
15 [~~Section 22, of the~~] Texas Constitution, the Legislative Budget
16 Board may not transmit in any form to the governor or the
17 legislature the budget as prescribed by Section 322.008(c) or the
18 general appropriations bill as prescribed by Section 322.008(d)
19 until the maximum permissible amount [~~limit on the rate of growth~~]
20 of appropriations for the next fiscal biennium has been adopted as
21 required by this subchapter.

22 (f) [~~(e)~~] In the absence of an action by the Legislative
23 Budget Board to adopt a maximum permissible amount of
24 appropriations for the next fiscal biennium [~~pending limit~~] as
25 provided by this section, the maximum permissible amount of
26 appropriations for the next fiscal biennium is [~~in Subsections (a)~~
27 ~~and (b), the estimated rate of growth in the state's economy from~~

1 ~~the current biennium to the next biennium shall be treated as if it~~
2 ~~were zero, and the amount of state tax revenues not dedicated by the~~
3 ~~constitution that could be appropriated within the limit~~
4 ~~established by the estimated rate of growth in the state's economy~~
5 ~~shall be~~ the same as the amount [~~level~~] of those appropriations for
6 the current fiscal biennium, determined under Subsection (a)(3).

7 Sec. 316.003. PUBLICATION. Before the Legislative Budget
8 Board approves the items of information required by Section
9 316.002, the board shall publish in the Texas Register the proposed
10 items of information and a description of the methodology and
11 sources used in the determinations [~~calculations~~].

12 Sec. 316.004. PUBLIC HEARING. Not later than December 1 of
13 each even-numbered year, the Legislative Budget Board shall hold a
14 public hearing to solicit testimony regarding the proposed items of
15 information and the methodology used in making the determinations
16 [~~calculations~~] required by Section 316.002.

17 Sec. 316.006. LIMIT ON BUDGET RECOMMENDATIONS. Unless
18 authorized by majority vote of the members of the board from each
19 house, the Legislative Budget Board budget recommendations
20 relating to the proposed appropriations from the state treasury for
21 the next fiscal biennium [~~of state tax revenues not dedicated by the~~
22 ~~constitution~~] may not exceed the maximum permissible amount of
23 appropriations [~~limit~~] adopted by the committee under Section
24 316.005.

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

27 (a) The Legislative Budget Board shall include in its budget

1 recommendations the proposed maximum permissible amount [~~limit~~] of
2 appropriations from the state treasury for the next fiscal biennium
3 [~~from state tax revenues not dedicated by the constitution~~].

4 SECTION 3. Section 316.008(a), Government Code, is amended
5 to read as follows:

6 (a) Unless the legislature adopts a resolution under
7 Section 22(e), Article VIII, [~~Section 22(b), of the~~] Texas
8 Constitution, raising the proposed maximum permissible amount of
9 [~~limit on~~] appropriations for the next fiscal biennium, the
10 proposed maximum permissible amount [~~limit~~] is binding on the
11 legislature with respect to all appropriations for the next fiscal
12 biennium made from the state treasury [~~state tax revenues not~~
13 ~~dedicated by the constitution~~].

14 SECTION 4. (a) The changes in law made by this Act apply
15 only in relation to appropriations made for the state fiscal
16 biennium beginning September 1, 2017, and subsequent state fiscal
17 bienniums.

18 (b) Appropriations for the state fiscal biennium that
19 begins September 1, 2015, are governed by Subchapter A, Chapter
20 316, Government Code, as that subchapter provided immediately
21 before the effective date of this Act, and the former law is
22 continued in effect for that purpose.

23 SECTION 5. This Act takes effect on the effective date of
24 the constitutional amendment proposed by the 84th Legislature,
25 Regular Session, 2015, regarding the maximum amount of
26 appropriations for a state fiscal biennium. If that amendment is
27 not approved by the voters, this Act has no effect.