

1-1 By: Bonnen (Senate Sponsor - Huffman) H.B. No. 4488
 1-2 (In the Senate - Received from the House May 7, 2025;
 1-3 May 8, 2025, read first time and referred to Committee on Finance;
 1-4 May 25, 2025, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 15, Nays 0; May 25, 2025,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			

1-24 COMMITTEE SUBSTITUTE FOR H.B. No. 4488 By: Huffman

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the creation and re-creation of funds and accounts, the
 1-28 dedication and rededication of revenue and allocation of accrued
 1-29 interest on dedicated revenue, and the exemption of unappropriated
 1-30 money from use for general governmental purposes.

1-31 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-32 SECTION 1. DEFINITION. In any provision of this Act that
 1-33 does not amend current law, "state agency" means an office,
 1-34 institution, or other agency that is in the executive or judicial
 1-35 branch of state government, has authority that is not limited to a
 1-36 geographical portion of the state, and was created by the
 1-37 constitution or a statute of this state. The term does not include
 1-38 an institution of higher education as defined by Section 61.003,
 1-39 Education Code.

1-40 SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS.
 1-41 Except as otherwise specifically provided by this Act, all funds
 1-42 and accounts created or re-created by an Act of the 89th
 1-43 Legislature, Regular Session, 2025, that becomes law and all
 1-44 dedications or rededications of revenue collected by a state agency
 1-45 for a particular purpose by an Act of the 89th Legislature, Regular
 1-46 Session, 2025, that becomes law are abolished on the later of August
 1-47 31, 2025, or the date the Act creating or re-creating the fund or
 1-48 account or dedicating or rededicating revenue takes effect.

1-49 SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND
 1-50 ACCOUNTS. Section 2 of this Act does not apply to:

1-51 (1) statutory dedications, funds, and accounts that
 1-52 were enacted before the 89th Legislature convened to comply with
 1-53 requirements of state constitutional or federal law;

1-54 (2) dedications, funds, or accounts that remained
 1-55 exempt from former Section 403.094(h), Government Code, at the time
 1-56 dedications, accounts, and funds were abolished under that
 1-57 provision;

1-58 (3) increases in fees or other revenue dedicated as
 1-59 described by this section; or

1-60 (4) increases in fees or other revenue required to be

2-1 deposited in a fund or account described by this section.

2-2 SECTION 4. FEDERAL FUNDS. Section 2 of this Act does not
2-3 apply to funds created under an Act of the 89th Legislature, Regular
2-4 Session, 2025, for which separate accounting is required by federal
2-5 law, except that the funds shall be deposited in accounts in the
2-6 general revenue fund unless otherwise required by federal law.

2-7 SECTION 5. TRUST FUNDS. Section 2 of this Act does not
2-8 apply to trust funds or dedicated revenue deposited to trust funds
2-9 created under an Act of the 89th Legislature, Regular Session,
2-10 2025, except that the trust funds shall be held in the state
2-11 treasury, with the comptroller in trust, or outside the state
2-12 treasury with the comptroller's approval.

2-13 SECTION 6. BOND FUNDS. Section 2 of this Act does not apply
2-14 to bond funds and pledged funds created or affected by an Act of the
2-15 89th Legislature, Regular Session, 2025, except that the funds
2-16 shall be held in the state treasury, with the comptroller in trust,
2-17 or outside the state treasury with the comptroller's approval.

2-18 SECTION 7. CONSTITUTIONAL DEDICATIONS, FUNDS, AND
2-19 ACCOUNTS. Section 2 of this Act does not apply to funds or accounts
2-20 that would be created or re-created by the Texas Constitution or
2-21 revenue that would be dedicated or rededicated by the Texas
2-22 Constitution under a constitutional amendment proposed by the 89th
2-23 Legislature, Regular Session, 2025, or to dedicated revenue
2-24 deposited to funds or accounts that would be so created or
2-25 re-created, if the constitutional amendment is approved by the
2-26 voters.

2-27 SECTION 8. ADDITIONAL USES FOR DEDICATED FUNDS OR ACCOUNTS.
2-28 Section 2 of this Act does not apply to a newly authorized use of
2-29 money in a dedicated fund or dedicated account as provided by an Act
2-30 of the 89th Legislature, Regular Session, 2025, to the extent:

2-31 (1) the fund or account was exempted from abolition by
2-32 an Act of the legislature that became law before January 1, 2025;
2-33 and

2-34 (2) the newly authorized use is within the scope of the
2-35 original dedication of the fund or account.

2-36 SECTION 9. ACCOUNTS IN GENERAL REVENUE FUND. Effective on
2-37 the later of the effective date of the Act creating or re-creating
2-38 the specified account or August 31, 2025, the following accounts,
2-39 the revenue deposited to the credit of those accounts, and the
2-40 revenue dedicated for deposit to the credit of those accounts are
2-41 exempt from Section 2 of this Act and the accounts are created or
2-42 re-created in the general revenue fund, if created or re-created by
2-43 an Act of the 89th Legislature, Regular Session, 2025, that becomes
2-44 law:

2-45 (1) the Texas advanced nuclear development fund
2-46 created as an account in the general revenue fund by House Bill
2-47 No. 14 or similar legislation;

2-48 (2) the gulf coast protection account created as an
2-49 account in the general revenue fund by House Bill No. 1089 or
2-50 similar legislation;

2-51 (3) the nonprofit organizations supporting employees
2-52 of the Department of Public Safety account created as an account in
2-53 the general revenue fund by House Bill No. 3033 or similar
2-54 legislation;

2-55 (4) the farm winery marketing assistance fund created
2-56 as an account in the general revenue fund by House Bill No. 3385 or
2-57 similar legislation;

2-58 (5) the critical infrastructure emergency response
2-59 map fund created as an account in the general revenue fund by House
2-60 Bill No. 4341 or similar legislation;

2-61 (6) the Quantum University and Business Innovation for
2-62 Texas Fund created as an account in the general revenue fund by
2-63 House Bill No. 4751 or similar legislation;

2-64 (7) the program fund created as an account in the
2-65 general revenue fund by Senate Bill No. 2 or similar legislation;
2-66 and

2-67 (8) the hemp laws fund created as an account in the
2-68 general revenue fund by Senate Bill No. 3 or similar legislation.

2-69 SECTION 10. SEPARATE FUNDS. Effective on the later of the

3-1 effective date of the Act creating or re-creating the specified
3-2 fund or August 31, 2025, the following funds, the revenue deposited
3-3 to those funds, and the revenue dedicated for deposit to those funds
3-4 are exempt from Section 2 of this Act and the funds are created or
3-5 re-created as separate funds inside or outside the state treasury,
3-6 as specified by the Act creating or re-creating the fund, if created
3-7 or re-created by an Act of the 89th Legislature, Regular Session,
3-8 2025, that becomes law:

3-9 (1) the workforce housing capital investment fund
3-10 created as a fund in the state treasury by House Bill No. 4505 or
3-11 similar legislation;

3-12 (2) the Dementia Prevention and Research Fund created
3-13 as a fund in the state treasury by Senate Bill No. 5 or similar
3-14 legislation and Senate Joint Resolution No. 3 or similar
3-15 legislation;

3-16 (3) the Texas water fund administrative fund created
3-17 as a fund in the state treasury by Senate Bill No. 7 or similar
3-18 legislation;

3-19 (4) the Texas Strategic Bitcoin Reserve created as a
3-20 fund outside the state treasury by Senate Bill No. 21 or similar
3-21 legislation; and

3-22 (5) the Texas moving image industry incentive fund
3-23 created as a fund outside the state treasury by Senate Bill No. 22
3-24 or similar legislation.

3-25 SECTION 11. REVENUE DEDICATIONS. Effective on the later of
3-26 the effective date of the Act dedicating or rededicating the
3-27 specified revenue or August 31, 2025, the following dedications or
3-28 rededications of revenue collected for a particular purpose are
3-29 exempt from Section 2 of this Act, if dedicated or rededicated by an
3-30 Act of the 89th Legislature, Regular Session, 2025, that becomes
3-31 law:

3-32 (1) the dedication of revenue to the oil and gas
3-33 regulation and cleanup fund provided by House Bill No. 106 or
3-34 similar legislation;

3-35 (2) the dedication of revenue to the state highway
3-36 fund provided by House Bill No. 2427 or similar legislation;

3-37 (3) the dedication of revenue to the state highway
3-38 fund provided by House Bill No. 2763 or similar legislation;

3-39 (4) the dedication of revenue to the water resource
3-40 management account provided by House Bill No. 3866 or similar
3-41 legislation;

3-42 (5) the dedication of revenue to the Texas Historical
3-43 Commission retail operations fund provided by House Bill No. 4187
3-44 or similar legislation;

3-45 (6) the dedication of revenue to the historic site
3-46 account provided by Senate Bill No. 217 or similar legislation;

3-47 (7) the dedication of revenue to the compensation to
3-48 victims of crime fund provided by Senate Bill No. 1065 or similar
3-49 legislation;

3-50 (8) the dedication of revenue to the Texas Department
3-51 of Insurance operating account provided by Senate Bill No. 1455 or
3-52 similar legislation;

3-53 (9) the dedication of revenue to the clean air account
3-54 provided by Senate Bill No. 1729 or similar legislation;

3-55 (10) the dedication of revenue to the clean air
3-56 account provided by Senate Bill No. 1757 or similar legislation;

3-57 (11) the dedication of interest income to the ship
3-58 channel improvement revolving fund provided by Senate Bill No. 1939
3-59 or similar legislation;

3-60 (12) the dedication of revenue to the water resource
3-61 management account provided by Senate Bill No. 2037 or similar
3-62 legislation;

3-63 (13) the dedication of revenue to the state highway
3-64 fund provided by Senate Bill No. 2722 or similar legislation; and

3-65 (14) the dedication of revenue to the game, fish, and
3-66 water safety account provided by Senate Bill No. 2801 or similar
3-67 legislation.

3-68 SECTION 12. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
3-69 DEDICATED REVENUE. (a) This section applies only to an account in

4-1 the general revenue fund:

4-2 (1) any part of which Section 403.095, Government
4-3 Code, makes available for certification under Section 403.121,
4-4 Government Code; and

4-5 (2) that is created or re-created by an Act of the 89th
4-6 Legislature, Regular Session, 2025.

4-7 (b) Except as provided by this Act, all interest and other
4-8 earnings that accrue on all revenue held in an account in the
4-9 general revenue fund are available for any general governmental
4-10 purpose.

4-11 (c) Except as provided by this Act, the comptroller shall
4-12 deposit all interest and other earnings that accrue on all revenue
4-13 held in an account in the general revenue fund to the credit of the
4-14 general revenue fund.

4-15 SECTION 13. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE.
4-16 Effective September 1, 2025, Sections 403.095(b), (d), and (f),
4-17 Government Code, are amended to read as follows:

4-18 (b) Notwithstanding any law dedicating or setting aside
4-19 revenue for a particular purpose or entity, dedicated revenues that
4-20 on August 31, 2027 [~~2025~~], are estimated to exceed the amount
4-21 appropriated by the General Appropriations Act or other laws
4-22 enacted by the 89th [~~88th~~] Legislature are available for general
4-23 governmental purposes and are considered available for the purpose
4-24 of certification under Section 403.121.

4-25 (d) Following certification of the General Appropriations
4-26 Act and other appropriations measures enacted by the 89th [~~88th~~]
4-27 Legislature, the comptroller shall reduce each dedicated account as
4-28 directed by the legislature by an amount that may not exceed the
4-29 amount by which estimated revenues and unobligated balances exceed
4-30 appropriations. The reductions may be made in the amounts and at
4-31 the times necessary for cash flow considerations to allow all the
4-32 dedicated accounts to maintain adequate cash balances to transact
4-33 routine business. The legislature may authorize, in the General
4-34 Appropriations Act, the temporary delay of the excess balance
4-35 reduction required under this subsection. This subsection does not
4-36 apply to revenues or balances in:

4-37 (1) funds outside the treasury;

4-38 (2) trust funds, which for purposes of this section
4-39 include funds that may or are required to be used in whole or in part
4-40 for the acquisition, development, construction, or maintenance of
4-41 state and local government infrastructures, recreational
4-42 facilities, or natural resource conservation facilities;

4-43 (3) funds created by the constitution or a court; or

4-44 (4) funds for which separate accounting is required by
4-45 federal law.

4-46 (f) This section expires September 1, 2027 [~~2025~~].

4-47 SECTION 14. AMENDMENT OF SECTION 403.0956, GOVERNMENT
4-48 CODE. Effective September 1, 2025, Section 403.0956, Government
4-49 Code, is amended to read as follows:

4-50 Sec. 403.0956. REALLOCATION OF INTEREST ACCRUED ON CERTAIN
4-51 DEDICATED REVENUE. Notwithstanding any other law, all interest or
4-52 other earnings that accrue on all revenue held in an account in the
4-53 general revenue fund any part of which Section 403.095 makes
4-54 available for certification under Section 403.121 are available for
4-55 any general governmental purpose, and the comptroller shall deposit
4-56 the interest and earnings to the credit of the general revenue
4-57 fund. This section does not apply to:

4-58 (1) interest or earnings on revenue deposited in
4-59 accordance with Section 51.008, Education Code;

4-60 (2) an account that accrues interest or other earnings
4-61 on deposits of state or federal money the diversion of which is
4-62 specifically excluded by federal law;

4-63 (3) the lifetime license endowment account;

4-64 (4) the game, fish, and water safety account;

4-65 (5) the coastal protection account;

4-66 (6) the Alamo complex account;

4-67 (7) the artificial reef account;

4-68 (8) the sexual assault program fund; [~~or~~]

4-69 (9) the deferred maintenance fund account; or

5-1 (10) the program fund established under Section
5-2 29.353, Education Code.

5-3 SECTION 15. AMENDMENT OF SECTION 504.6012, TRANSPORTATION
5-4 CODE. Effective September 1, 2025, Section 504.6012,
5-5 Transportation Code, is amended to read as follows:

5-6 Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS;
5-7 REVENUES IN TRUST. (a) Notwithstanding any other law, not later
5-8 than September 30, 2025 [~~2023~~], the comptroller shall eliminate all
5-9 dedicated accounts established for specialty license plates and
5-10 shall set aside the balances of those dedicated accounts so that the
5-11 balances may be appropriated only for the purposes intended as
5-12 provided by the dedications.

5-13 (b) On and after September 1, 2025 [~~2023~~], the portion of a
5-14 fee payable that is designated for deposit to a dedicated account
5-15 shall be paid instead to the credit of an account in a trust fund
5-16 created by the comptroller outside the general revenue fund. The
5-17 comptroller shall administer the trust fund and accounts and may
5-18 allocate the corpus and earnings on each account only in accordance
5-19 with the dedications of the revenue deposited to the trust fund
5-20 accounts.

5-21 SECTION 16. EFFECT OF ACT. (a) This Act prevails over any
5-22 other Act of the 89th Legislature, Regular Session, 2025,
5-23 regardless of the relative dates of enactment, that purports to
5-24 create or re-create a special fund or account or to dedicate or
5-25 rededicate revenue to a particular purpose, including any fund,
5-26 account, or revenue dedication abolished under former Section
5-27 403.094, Government Code.

5-28 (b) An exemption from the application of Section 403.095,
5-29 Government Code, contained in another Act of the 89th Legislature,
5-30 Regular Session, 2025, that is exempted from the application of
5-31 Section 2 of this Act has no effect.

5-32 (c) Revenue that, under the terms of another Act of the 89th
5-33 Legislature, Regular Session, 2025, would be deposited to the
5-34 credit of a special account or fund shall be deposited to the credit
5-35 of the undedicated portion of the general revenue fund unless the
5-36 fund, account, or dedication is exempted under this Act.

5-37 (d) This Act prevails over any other Act of the 89th
5-38 Legislature, Regular Session, 2025, regardless of the relative
5-39 dates of enactment, that purports to allocate interest or other
5-40 earnings that accrue on revenue held in an account in the general
5-41 revenue fund any part of which Section 403.095, Government Code,
5-42 makes available for certification under Section 403.121,
5-43 Government Code.

5-44 SECTION 17. EFFECTIVE DATE. Except as otherwise provided
5-45 by this Act:

5-46 (1) this Act takes effect immediately if this Act
5-47 receives a vote of two-thirds of all the members elected to each
5-48 house, as provided by Section 39, Article III, Texas Constitution;
5-49 and

5-50 (2) if this Act does not receive the vote necessary for
5-51 immediate effect, this Act takes effect on the 91st day after the
5-52 last day of the legislative session.

5-53 * * * * *