

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 23, 2013

TO: Honorable Jim Pitts, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HJR111 by Perry (Proposing a constitutional amendment limiting appropriations from the economic stabilization fund to a total amount that the comptroller of public accounts estimates will not result at any time in a fund balance of less than a prescribed minimum amount.), **As Introduced**

No significant fiscal implication to the State is anticipated, other than the cost of publication.

However, the proposed changes to the Texas Constitution would limit future Legislature's ability to appropriate Economic Stabilization Fund balances.

The cost to the state for publication of the resolution is \$108,921.

The resolution would propose an amendment to Section 49-g, Article III, Texas Constitution, by adding Subsection (g-1) to establish a minimum level for the unappropriated balance of the Economic Stabilization (ESF) at all times as an amount equal to at least 5 percent of the amount of the biennial state taxes and fees for General Revenue as provided in the biennial revenue estimate issued prior to the start of the biennium.

This resolution would propose an amendment to Section 49-a, Article III, Texas Constitution to require the Comptroller (1) to determine that an appropriation from the ESF would not exceed the 5 percent threshold proposed by this resolution; (2) in determining whether to certify a bill to consider the Comptroller's Biennial Revenue Estimate of the unappropriated balance of the ESF, the anticipated interest that would be credited to the fund's balance and the estimated amounts and timing of anticipated transfers to the ESF except of returning money to ESF that were temporarily used to prevent or eliminate temporary cash deficiency in General Revenue Fund; and (3) to certify a bill that makes an appropriation from ESF, if the amount appropriated would not exceed the limitation on appropriations proposed by this resolution.

The proposed language does not provide for a mechanism to appropriate larger amounts from the ESF in cases of extreme circumstances and, thus, could potentially limit the actions of future Legislatures.

The proposed constitutional amendment would be submitted to voters at an election to be held November 5, 2013.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD