

## **BILL ANALYSIS**

C.S.H.B. 915  
By: Howard  
Appropriations  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Noting that Texas is a rapidly growing and changing state, interested parties contend that the state budget needs a more rigorous methodology to keep pace with these changes. Quarterly financial condition reports, the parties explain, inform states of progress throughout the year, which allows financial policy changes to be less stressed and more incremental. No state is able to accurately predict economic ups and downs, the parties continue, but a consistent status update will assist policymakers in making decisions with the most up-to-date information. C.S.H.B. 915 seeks to provide for such reports.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 915 amends the Government Code to require the comptroller of public accounts to prepare and submit to the governor, the legislature, and the Legislative Budget Board a report regarding the financial condition of the state not later than the last day of the month following the last day of each state fiscal quarter. The bill requires the quarterly state financial condition report to state the total net revenue actually collected for the state fiscal year as of the end of the most recent state fiscal quarter from all revenue sources included in determining the estimate of anticipated revenue for purposes of the most recent biennial revenue estimate and to compare for that period the total net revenue collected from all such revenue sources with the anticipated revenue from those sources. The bill also requires the report to summarize indicators of state economic trends experienced since the most recent biennial revenue estimate and anticipated state economic trends and their effect on future state revenue collections and, based on actual state revenue collections and experienced and anticipated trends in those revenue collections, to provide revised projections for the current state fiscal biennium regarding those revenue collections. The bill requires the report to provide an aggregated summary for all state revenue sources of the applicable state revenue data.

C.S.H.B. 915 establishes that the comptroller is not required to prepare and submit a quarterly state financial condition report that would otherwise be required to be submitted in December of each even-numbered year. The bill requires the comptroller to make the quarterly state financial condition report available on the comptroller's website. The bill requires the comptroller to prepare and submit the initial quarterly state financial condition report not later than December 31, 2015.

## EFFECTIVE DATE

September 1, 2015.

## COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 915 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

### INTRODUCED

SECTION 1. The heading to Subchapter I, Chapter 403, Government Code, is amended.

SECTION 2. Subchapter I, Chapter 403, Government Code, is amended by adding Section 403.123 to read as follows:

Sec. 403.123. QUARTERLY STATE FINANCIAL CONDITION REPORT. (a) Except as provided by Subsection (c), the comptroller shall prepare and submit to the governor, the legislature, and the Legislative Budget Board a report regarding the financial condition of this state not later than the last day of the month following the last day of each state fiscal quarter. The report must:

(1) specify for each revenue source included in determining the estimate of anticipated revenue for purposes of the most recent statement required by Section 49a, Article III, Texas Constitution, the total net revenue actually collected from that source for the state fiscal year as of the end of the most recent state fiscal quarter;

(2) compare for the period described by Subdivision (1) the total net revenue collected from each revenue source required to be specified under that subdivision with the anticipated revenue from that source that was included for purposes of determining the estimate of anticipated revenue in the statement required by Section 49a, Article III, Texas Constitution;

(3) specify for each state revenue source resulting from a law taking effect after the comptroller submitted the most recent statement required by Section 49a, Article III, Texas Constitution, the total net revenue collected from that source for the state fiscal year as of the end of the most recent state fiscal quarter;

(4) summarize indicators of state economic

### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Subchapter I, Chapter 403, Government Code, is amended by adding Section 403.123 to read as follows:

Sec. 403.123. QUARTERLY STATE FINANCIAL CONDITION REPORT. (a) Except as provided by Subsection (c), the comptroller shall prepare and submit to the governor, the legislature, and the Legislative Budget Board a report regarding the financial condition of this state not later than the last day of the month following the last day of each state fiscal quarter. The report must:

(1) state the total net revenue actually collected for the state fiscal year as of the end of the most recent state fiscal quarter from all revenue sources included in determining the estimate of anticipated revenue for purposes of the most recent statement required by Section 49a, Article III, Texas Constitution;

(2) compare for the period described by Subdivision (1) the total net revenue collected from all revenue sources required to be included under that subdivision with the anticipated revenue from those sources that was included for purposes of determining the estimate of anticipated revenue in the statement required by Section 49a, Article III, Texas Constitution;

(3) summarize indicators of state economic

trends experienced since the most recent statement required by Section 49a, Article III, Texas Constitution, and anticipated state economic trends and their effect on future state revenue collections; and

(5) based on actual state revenue collections and experienced and anticipated trends in those revenue collections, provide revised projections for the current and subsequent state fiscal bienniums regarding those revenue collections.

(b) The information required by Subsections (a)(1), (2), (3), and (5) must be separately stated for each state revenue source, including state sales and use tax revenue. The report must also provide an aggregated summary for all state revenue sources of the state revenue data described by those subdivisions.

(c) The comptroller is not required to prepare and submit the report required by Subsection (a) that would otherwise be required to be submitted in December of each even-numbered year.

(d) The Legislative Budget Board shall hold a public hearing during the second month following the last day of each state fiscal quarter after receiving a report under Subsection (a) to hear testimony on the report. Before the hearing, the board shall make the report available to the public through:

- (1) the board's Internet website; and
- (2) another means, on request.

SECTION 3. The comptroller of public accounts shall prepare and submit the initial quarterly state financial condition report required by Section 403.123, Government Code, as added by this Act, not later than December 31, 2015.

SECTION 4. This Act takes effect September 1, 2015.

trends experienced since the most recent statement required by Section 49a, Article III, Texas Constitution, and anticipated state economic trends and their effect on future state revenue collections; and

(4) based on actual state revenue collections and experienced and anticipated trends in those revenue collections, provide revised projections for the current state fiscal biennium regarding those revenue collections.

(b) The report must provide an aggregated summary for all state revenue sources of the state revenue data described by Subsections (a)(1), (2), and (4).

(c) The comptroller is not required to prepare and submit the report required by Subsection (a) that would otherwise be required to be submitted in December of each even-numbered year.

(d) The comptroller shall make the report that is prepared and submitted as required by Subsection (a) available on the comptroller's Internet website.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.