

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 3318
By: Luna (Bivins)
Finance
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Committee Report (Substituted)

DIGEST AND PURPOSE

The 72nd Legislature enacted Section 403.094, Government Code, which related to the consolidation of funds in existence before August 31, 1993. That section also provided for the abolishment of dedications in existence prior to August 31, 1995, unless otherwise expressly exempted. H.B. 3318 provides regulations for the creation and recreation of funds and accounts in the state treasury, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. DEFINITION. Defines "state agency."

SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS. Provides that except as otherwise specifically provided by this Act, all funds and accounts created or re-created in the state treasury by an Act of the 78th Legislature, Regular Session, 2003, that becomes law and all dedications or rededications of revenue in the state treasury or otherwise collected by a state agency for a particular purpose by an Act of the 78th Legislature, Regular Session, 2003, that becomes law are abolished on the later of September 1, 2003, or the date the Act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect.

SECTION 3. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND ACCOUNTS. Provides that Section 2 of this Act does not apply to certain previously exempt dedications, funds, and accounts.

SECTION 4. SYSTEM BENEFIT FUND. (a) Reenacts and amends Section 39.903(a), Utilities Code, as amended by Section 3, Chapter 1394, and Section 19(a), Chapter 1466, Acts of the 77th Legislature, Regular Session, 2001, as follows:

(a) Provides that the system benefit fund is an account in the general revenue fund. Authorizes money in the account to be appropriated only for the purposes provided by this section or other law. Requires interest earned on the system benefit fund to be credited to the fund. Provides that Section 403.095, Government Code, does not apply to the system benefit fund.

(b) Provides that on the effective date of this Act, the system benefit fund is re-created as an account in the general revenue fund, and the account and the revenue deposited to the credit of the account are exempt from Section 2 of this Act.

SECTION 5. SUBSEQUENT INJURY FUND. (a) Amends Section 403.006(a), Labor Code, to provide that the subsequent injury fund is an account in the general revenue fund. Authorizes money in the account to be appropriated only for the purposes of this section or as provided by other law. Provides that Section 403.095, Government Code, does not apply to the subsequent injury fund, rather than a special fund in the state treasury.

(b) Provides that on the effective date of this Act, the subsequent injury fund is re-created as an account in the general revenue fund, and the account and the revenue deposited to the credit of the account are exempt from Section 2 of this Act.

SECTION 6. TERTIARY CARE ACCOUNT. Provides that the tertiary care account is re-created by this Act. Provides that money in the account and money required by law to be put in the account is rededicated for the purposes provided by Chapter 46, Health and Safety Code. Provides that the account and money put in the account are exempt from Section 2 of this Act.

SECTION 7. LICENSE PLATES. Provides that certain funds, accounts, and dedications of revenue relating to license plates are exempt from Section 2 of this Act if created by an Act of the 78th Legislature, Regular Session, 2003, that becomes law.

SECTION 8. FEDERAL FUNDS. Provides that Section 2 of this Act does not apply to funds created pursuant to an Act of the 78th Legislature, Regular Session, 2003, for which separate accounting is required by federal law, except that the funds must be deposited in accounts in the general revenue fund unless otherwise required by federal law.

SECTION 9. TRUST FUNDS. Provides that Section 2 of this Act does not apply to trust funds or dedicated revenue deposited to trust funds created under an Act of the 78th Legislature, Regular Session, 2003, except that the trust funds must be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 10. BOND FUNDS. Provides that Section 2 of this Act does not apply to bond funds and pledged funds created or affected by an Act of the 78th Legislature, Regular Session, 2003, except that the funds must be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 11. CONSTITUTIONAL FUNDS. Provides that Section 2 of this Act does not apply to funds or accounts that would be created or re-created in the Texas Constitution or revenue that would be dedicated or rededicated by the Texas Constitution under constitutional amendments proposed by the 78th Legislature, Regular Session, 2003, or to dedicated revenue deposited to funds or accounts that would be so created or re-created.

SECTION 12. RAINY DAY FUND ACCOUNTS. Provides that Section 2 of this Act does not apply to any accounts created in the economic stabilization fund by H.B. 2, H.B. 3323, H.B. 3548, or S.B. 1771, Acts of the 78th Legislature, Regular Session, 2003, and does not apply to any related dedication of revenue, if one of those bills or similar legislation becomes law.

SECTION 13. STATE PRESERVATION BOARD. Provides that Sections 2 and 9 of this Act do not apply to the capitol trust fund, the capitol account, the capital renewal account, and the museum account, as created or re-created by H.B. 3441 or S.B. 1866, Acts of the 78th Legislature, Regular Session, 2003, if one of those bills or similar legislation becomes law, and do not apply to revenue dedicated to that fund or any of those accounts.

SECTION 14. TEXAS EMISSIONS REDUCTION. Provides that Section 2 of this Act does not apply to the Texas emissions reduction plan fund and does not apply to revenue dedicated to that fund by H.B. 1365, Acts of the 78th Legislature, Regular Session, 2003, if that bill or similar legislation becomes law.

SECTION 15. RURAL WATER ASSISTANCE. Provides that Section 2 of this Act does not apply to the rural water assistance fund or the water infrastructure fund created or re-created in the state treasury by H.B. 1875 or S.B. 967, Acts of the 78th Legislature, Regular Session, 2003, if one of those bills or similar legislation becomes law, and does not apply to revenue dedicated to either fund.

SECTION 16. ECONOMIC DEVELOPMENT. Provides that Sections 2 and 9 of this Act do not apply to any fund or account created or re-created by S.B. 275, S.B. 659, H.B. 1233, Acts of the 78th Legislature, Regular Session, 2003, if any of those bills becomes law, and do not apply

to any revenue dedicated by that Act.

SECTION 17. TEXAS ENTERPRISE FUND. Provides that Section 2 of this Act does not apply to the Texas enterprise fund created or re-created by H.B. 2, H.B. 3323, H.B. 3548 or S.B. 1771, Acts of the 78th Legislature, Regular Session, 2003, and does not apply to any related dedication of revenue, if one of those bills or similar legislation becomes law.

SECTION 18. SPORTS EVENTS TRUST FUND. Provides that Sections 2 and 9 of this Act do not apply to the Other Events trust fund or to revenue dedicated to any of those funds, created by an Act of the 78th Legislature, Regular Session, 2003, that amends Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, V.T.C.S.).

SECTION 19. PROSECUTOR SUPPLEMENT FUND. Provides that Section 2 of this Act does not apply to the felony prosecutor supplement fund created by H.B. 1940, Acts of the 78th Legislature, Regular Session, 2003, if that bill or similar legislation becomes law, and does not apply to revenue dedicated to that fund.

SECTION 20. TRAVEL SERVICE CONTRACTS. Provides that the municipality airline fares account in the general revenue fund created by H.B. 1061 OR S.B. 304, Acts of the 78th Legislature, Regular Session, 2003, if either bill or similar legislation creating the account becomes law, is exempt from Section 2 of this Act, and Section 2 of this Act does not apply to the dedication of revenue to that account made by that legislation.

SECTION 21. DRY CLEANING FACILITY RELEASE FUND. Provides that Section 2 of this Act does not apply to the dry cleaning facility release fund account created by H.B. 1366 or S.B. 799 or other similar legislation of the 78th Legislature, Regular Session, 2003, that becomes law, and does not apply to the revenue dedicated to or deposited in that account.

SECTION 22. HIGHWAY TAX AND REVENUE ANTICIPATION NOTE FUND. Provides that the highway tax and revenue anticipation note fund created by H.B. 471, Acts of the 78th Legislature, Regular Session, 2003, if that bill or similar legislation creating the fund becomes law, is exempt from Section 2 of this Act, and Section 2 of this act does not apply to the dedication of revenue to that fund made by that legislation.

SECTION 23. OPERATING PERMIT FEES ACCOUNT. Provides that the operating permit fees account created by H.B. 1481, Acts of the 78th Legislature, Regular Session, 2003, if that bill or similar legislation creating the account becomes law, is exempt from Section 2 of this Act, and Section 2 of this act does not apply to the dedication of revenue to that fund made by that legislation. Provides that the account is created as an account in the general revenue fund.

SECTION 24. ELECTION IMPROVEMENT FUND. Provides that the election improvement fund created as a dedicated account in the general revenue fund by H.B. 1549, Acts of the 78th Legislature, Regular Session, 2003, if that bill or similar legislation creating the fund becomes law, is exempt from Section 2 of this Act, and Section 2 of this act does not apply to the dedication of revenue to that fund made by that legislation.

SECTION 25. TAX ADMINISTRATION FUND. Provides that the tax administration fund created by H.B. 2458, Acts of the 78th Legislature, Regular Session, 2003, if that bill or similar legislation creating the fund becomes law, is exempt from Section 2 of this Act, and Section 2 of this act does not apply to the dedication of revenue to that fund made by that legislation.

SECTION 26. MOTOR VEHICLE INSURANCE AND PROOF OF FINANCIAL RESPONSIBILITY. Provides that any fund or account created by S.B. 422 or H.B. 1809, Acts of the 78th Legislature, Regular Session, 2003, if either bill or similar legislation becomes law, is exempt from Section 2 of this Act, and Section 2 of this act does not apply to any dedication of revenue made by that legislation.

SECTION 27. FUND FOR EMERGENCY MEDICAL SERVICES, TRAUMA FACILITIES, AND TRAUMA CARE SYSTEMS. Provides that the fund for emergency medical services,

trauma facilities and trauma care systems created as an account in the general revenue fund by S.B. 1131, Acts of the 78th Legislature, Regular Session, 2003, if that bill or similar legislation creating the account becomes law, is exempt from Section 2 of this Act, and Section 2 of this act does not apply to the dedication of revenue to that account made by that legislation.

SECTION 28. STATE PARKS ACCOUNT. Provides that Section 2 of this Act does not apply to the dedication of revenue to the state parks account made by S.B. 1158 or H.B. 2351 or similar legislation if either of those bills or similar legislation becomes law.

SECTION 29. PERPETUAL CARE ACCOUNT. Provides that the perpetual care account created or re-created as an account in the general revenue fund by H.B. 1567, Acts of the 78th Legislature, Regular Session, 2003, if that bill or similar legislation creating or re-creating the account becomes law, is exempt from Section 2 of this Act, and Section 2 of this act does not apply to any dedication or rededication of revenue to that account made by that legislation.

SECTION 30. TEXAS B-ON-TIME ACCOUNT. Provides that the Texas B-On-Time student loan account created as an account in the general revenue fund by S.B. 4 or S.B. 1952, if either bill or similar legislation creating the account becomes law, is exempt from Section 2 of this Act, and Section 2 of this act does not apply any dedication of revenue to that account made by that legislation.

SECTION 31. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE. Amends Sections 403.095(b), (d), and (e), Government Code, effective September 1, 2003, as follows:

(b) Provides that, notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues that, on August 31, 2005, rather than 2003, are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 78th, rather the 77th, Legislature are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121.

(d) Requires the comptroller, following certification of the General Appropriations Act and other appropriations measures enacted by the 78th, rather than 77th, Legislature, to reduce each dedicated account as directed by the legislature by an amount that may not exceed the amount by which estimated revenues and unobligated balances exceed appropriations. Authorizes the reductions to be made in the amounts and at the times necessary for cash flow considerations to allow all the dedicated accounts to maintain adequate cash balances to transact routine business. Authorizes the legislature to authorize, in the General Appropriations Act, the temporary delay of the excess balance reduction required under this subsection. Provides that this subsection does not apply to revenues or balances in certain funds.

(e) Provides that this section expires on September 1, 2005, rather than 2003.

SECTION 32. TRANSFER OF BALANCES. Requires any balances in the system benefits fund, subsequent injury fund, or any other existing local, trust, or dedicated fund that is re-created as an account in the general revenue fund by this Act to be transferred to the appropriate general revenue account on the effective date of this Act.

SECTION 33. EFFECT OF ACT. (a) Provides that this Act prevails over any other Act of the 78th Legislature, Regular Session, 2003, regardless of the relative dates of enactment, that purports to create or re-create a special fund or account in the state treasury or to dedicate or rededicate revenue to a particular purpose, including any fund, account, or revenue dedication abolished under former Section 403.094, Government Code.

(b) Requires revenues that, under the terms of another Act of the 78th Legislature, Regular Session, 2003, would be deposited to the credit of a special account or fund to be deposited to the credit of the unobligated portion of the general revenue fund unless the fund, account, or dedication is exempted under this Act.

SECTION 34. EFFECTIVE DATE. Effective date: upon passage or September 1, 2003.