

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1652  
By: Watson  
Finance  
5/10/2011  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

C.S.S.B. 1652 allows new initiatives and processes that will make the Texas government more transparent.

C.S.S.B. 1652 amends current law relating to the implementation of new technology and new processes for the purposes of budget transparency, fiscal responsibility, and open government.

### **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. Amends Section 322.003, Government Code, by adding Subsection (f), as follows:

(f) Requires the Legislative Budget Board (LBB) to hold a public hearing in November of each state fiscal year to hear a report from the comptroller of public accounts (comptroller) and receive public testimony regarding the financial condition of this state. Requires that the report from the comptroller:

- (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 (Financial Statement and Estimate by Comptroller of Public Accounts; Limitation of Appropriations), Article III (Legislative Department), 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 estimated 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 trends experienced since the most recent statement required by Section 49a, Article III, Texas Constitution; and
- (5) summarize anticipated state economic trends and the anticipated effect of the trends on state revenue collections.

SECTION 2. Amends Section 322.008, Government Code, by adding Subsection (b-1), as follows:

(b-1) Requires that the general appropriations bill, for each state fee the amount of which is proposed or authorized to be increased by a provision of the general appropriations bill, set out in a separate section of the bill:

- (1) the statutory authority for the fee;
- (2) the amount of the fee increase;
- (3) the purpose or purposes for which the fee revenue is to be used; and
- (4) into which fund the fee revenue will be deposited.

SECTION 3. Amends Chapter 322, Government Code, by adding Section 322.022, as follows:

Sec. 322.022. PUBLIC HEARING ON INTERIM BUDGET REDUCTION REQUEST.

(a) Defines, in this section, "interim budget reduction request" and "state agency."

(b) Requires a state agency to provide LBB a detailed report of any expenditure reduction plan that the agency develops in response to an interim budget reduction request made by the governor, the lieutenant governor, or a member of the legislature, or any combination of those persons, and that, if implemented, would reduce the agency's total expenditures for the current state fiscal biennium to an amount less than the total amount that would otherwise be permissible based on the appropriations made to the agency in the state budget for the biennium.

(c) Requires LBB to hold a public hearing to solicit testimony on an expenditure reduction plan a state agency reports to LBB as required by Subsection (b) as soon as practicable after receiving the report. Prohibits the agency from implementing any element of the plan until the conclusion of the hearing.

(d) Provides that this section does not apply to an expenditure reduction a state agency desires to make that does not directly or indirectly result from an interim budget reduction request made by the governor, the lieutenant governor, or a member of the legislature, or any combination of those persons.

SECTION 4. Amends Subchapter B, Chapter 403, Government Code, by adding Section 403.0145, as follows:

Sec. 403.0145. PUBLICATION OF FEES SCHEDULE. Requires the comptroller, as soon as practicable after the end of each state fiscal year, to publish a schedule of all revenue to the state from fees authorized by statute. Requires that the schedule, for each fee, specify:

- (1) the purpose for which the fee revenue is to be used;
- (2) if the fee has been increased during that legislative session, the amount of the increase;
- (3) into which fund the fee revenue will be deposited; and
- (4) the amount of the fee revenue that will be considered available for general governmental purposes and accordingly considered available for the purpose of certification under Section 403.121 (Contents of Estimate).

SECTION 5. Amends Section 404.124, Government Code, by amending Subsections (a) and (b) and adding Subsection (b-1), as follows:

(a) Requires the cash management committee (committee) to hold a public hearing to solicit testimony on the cash flow shortfall forecast, including testimony on this state's overall economic condition, as soon as practicable after receiving the forecast.

(b) Authorizes the committee, based on the forecast and testimony provided at the hearing required by Subsection (a), to approve the issuance of notes, subject to Subsections (b-1) and (c) (relating to authorizing the committee to determine whether the notes will be sold on a negotiated or competitive bid basis), and the maximum outstanding balance of notes in any fiscal year.

(b-1) Provides that the committee's approval of the issuance of notes granted under Subsection (b) expires on the 91st day after the date the hearing conducted under Subsection (a) concludes. Prohibits the comptroller from issuing notes on or after the 91st day unless the comptroller submits another general revenue cash flow shortfall forecast to the committee and the committee subsequently grants approval for the issuance of the notes in accordance with the procedure required by Subsections (a) and (b). Provides that each subsequent approval expires on the 61st day after the date the hearing on which the approval was based concludes.

SECTION 6. Effective date: upon passage or September 1, 2011.