

SUBJECT: Enabling fund consolidation

COMMITTEE: Appropriations — favorable, without amendment

VOTE: 26 ayes — Bonnen, M. González, Allison, Bell, Bryant, DeAyala, Gates, Gervin-Hawkins, Howard, Isaac, Jetton, Martinez, Martinez Fischer, Morrison, Orr, Ortega, Rose, Spiller, Stucky, Tepper, Thimesch, E. Thompson, Toth, VanDeaver, Walle, Wu

0 nays

1 absent — Jarvis Johnson

WITNESSES: For — None

Against — None

On — (*Registered, but did not testify*: Sam Miller, Texas Comptroller of Public Accounts)

BACKGROUND: As the Legislature has taken steps in previous legislative sessions to reduce the state’s reliance on dedicated accounts for the purpose of certification, some have suggested that the fund consolidation process should be enabled this session.

DIGEST: HB 3461 would abolish all funds and accounts created or re-created as well as all dedications or re-dedications of revenue collected by a state agency for a particular purpose by an act of the 88th Legislature that would become law on August 31, 2023 or when the appropriations took effect, whichever came later. HB 3461 would establish certain exemptions from abolishment with respect to certain funds, accounts, and dedications.

HB 3461 would establish that, with certain exceptions, all interest or other earnings that accrued on revenue held in the general revenue fund would be available for general governmental purposes. The bill would require the comptroller to deposit all accrued interest and earnings in the general

revenue fund to the credit of the general revenue fund.

HB 3461 would make conforming changes throughout related to application of the 88th Legislature to certain provisions. The bill would also make confirming changes establishing August 31, 2025 as the date on which dedicated revenues are estimated to exceed amounts appropriated and would be available for certification, and postponing the expiration of certain provisions to September 1, 2025.

Except as other wise provided in the bill, HB 3461 would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect the 91st day after the last day of the legislative session.

NOTES:

According to the Legislative Budget Board, any net gain or loss from the re-creation of existing funds or accounts as exempted in the bill are dependent upon the passage of another act of the 88th Legislature, Regular Session, 2023, and are dependent upon appropriations made in the 2024-25 General Appropriations Act.