

## **BILL ANALYSIS**

Senate Research Center

H.B. 2948  
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Finance  
5-16-97  
Engrossed

### **DIGEST**

Historically, dedications of revenue for particular purposes have limited the legislature's flexibility in appropriating funds based on budgetary need and in utilizing the balances for other governmental purposes. In response to these concerns, the 72nd Legislature enacted Section 403.094, Government Code, which consolidated funds in existence before August 31, 1993, and abolished dedications in existence prior to August 31, 1995, unless otherwise expressly exempted. This bill will provide 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.

### **PURPOSE**

As proposed, H.B. 2948 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 grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

**SECTION 1. 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 75th Legislature, Regular Session, 1997, 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 75th Legislature, Regular Session, 1997, that becomes law, are abolished on the later of August 30, 1997, or the date the Act creating or re-creating the fund or account or dedicating or rededicating revenue takes effect.

**SECTION 2. PREVIOUSLY EXEMPT DEDICATIONS, FUNDS, AND ACCOUNTS.** Provides that SECTION 1 of this Act does not apply to certain dedications, funds, and accounts.

**SECTION 3. ACCOUNTS IN GENERAL REVENUE FUND.** Provides that, effective August 30, 1997, certain accounts in the general revenue fund, if created by an Act of the 75th Legislature, Regular Session, 1997, that becomes law, are exempt from SECTION 1 of this Act and Section 403.095, Government Code.

**SECTION 4. OTHER FUNDS IN TREASURY.** Provides that, effective August 30, 1997, certain funds in the state treasury, if created by an Act of the 75th Legislature, Regular Session, 1997, that becomes law, are exempt from SECTION 1 of this Act and Section 403.095, Government Code.

**SECTION 5. CERTAIN FEE REVENUE.** Provides that effective August 30, 1997, revenue consisting of fees collected under Section 5(m), Article 6573a, V.T.C.S. (The Real Estate License Act), if rededicated by an Act of the 75th Legislature, Regular Session, 1997, that becomes law, including H.B. 2539 or S.B. 1497, is exempt from SECTION 1 of this Act and Section 403.095, Government Code.

SECTION 6. FEDERAL FUNDS. Provides that SECTION 1 of this Act does not apply to funds created pursuant to an Act of the 75th Legislature, Regular Session, 1997, for which separate accounting is required by federal law, except that the funds shall be deposited in accounts in the general revenue fund unless otherwise required by federal law.

SECTION 7. TRUST FUNDS. Provides that SECTION 1 of this Act does not apply to certain trust funds or dedicated revenue deposited to trust funds, except that the trust funds shall be held in the state treasury, with the comptroller of public accounts (comptroller) in trust, or outside the state treasury with the comptroller's approval.

SECTION 8. BOND FUNDS. Provides that SECTION 1 of this Act does not apply to certain bond funds and pledged funds, except that the funds shall be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval. Provides that funds created or affected include bond or pledged funds or accounts created or affected by certain House and Senate bills.

SECTION 9. CONSTITUTIONAL FUNDS. Provides that SECTION 1 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 75th Legislature, Regular Session, 1997, or to dedicated revenue deposited to funds or accounts that would be so created or recreated. Sets forth the funds, accounts, and revenue exempted under this section.

SECTION 10. AMENDMENT. Amends Sections 403.095(b) and (c), Government Code, effective September 1, 1997, to provide that, notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, dedicated revenues that on August 31, 1999, rather than August 31, 1997, exceed the amount appropriated are available for general governmental purposes. Makes a conforming change.

SECTION 11. AMENDMENT. Amends the heading to and Subsection (a) of Section 2201.003, Government Code, as follows:

Sec. 2201.003. New heading: TRANSFERS FROM CAPITAL TRUST FUND. Requires interest earned by the fund, rather than income from the fund, to be deposited to the credit of the housing trust fund, rather than the general revenue fund.

SECTION 12. EFFECT OF ACT. Provides that this Act prevails over any other Act of the 75th Legislature, Regular Session, 1997, 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. Requires, revenues that, under the terms of another Act of the 75th Legislature, Regular Session, 1997, 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 13. Emergency clause.  
Effective date: upon passage.