

## **BILL ANALYSIS**

Senate Research Center  
86R34238 SRA-D

C.S.H.B. 3317  
By: Zerwas (Nelson)  
Finance  
5/18/2019  
Committee Report (Substituted)

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

H.B. 3317 provides that funds, accounts, and dedications established by bills passed by the 86th Legislature become part of the General Revenue Fund unless they are exempted in H.B. 3317. (Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 3317 amends current law relating to the creation and re-creation of funds and accounts, the dedication and rededication of revenue and allocation of accrued interest on dedicated 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" for purposes of any provision of this Act that does not amend current law.

**SECTION 2. ABOLITION OF FUNDS, ACCOUNTS, AND DEDICATIONS.** Provides that all funds and accounts created or re-created by an Act of the 86th Legislature, Regular Session, 2019, that becomes law and all dedications or rededications of revenue collected by a state agency for a particular purpose by an Act of the 86th Legislature, Regular Session, 2019, that becomes law, except as otherwise specifically provided by this Act, are abolished on the later of August 31, 2019, 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:

- (1) statutory dedications, funds, and accounts that were enacted before the 86th Legislature convened to comply with requirements of state constitutional or federal law;
- (2) dedications, funds, or accounts that remained exempt from former Section 403.094(h), Government Code, at the time dedications, accounts, and funds were abolished under that provision;
- (3) increases in fees or in other revenue dedicated as described by this section; or
- (4) increases in fees or in other revenue required to be deposited in a fund or account described by this section.

**SECTION 4. FEDERAL FUNDS.** Provides that Section 2 of this Act does not apply to funds created under an Act of the 86th Legislature, Regular Session, 2019, for which separate accounting is required by federal law, except that the funds are required to be deposited in accounts in the general revenue fund unless otherwise required by federal law.

SECTION 5. 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 86th Legislature, Regular Session, 2019, except that the trust funds are required to be held in the state treasury, with the comptroller of public accounts of the State of Texas (comptroller) in trust, or outside the state treasury with the comptroller's approval.

SECTION 6. 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 86th Legislature, Regular Session, 2019, except that the funds are required to be held in the state treasury, with the comptroller in trust, or outside the state treasury with the comptroller's approval.

SECTION 7. CONSTITUTIONAL FUNDS. Provides that Section 2 of this Act does not apply to funds or accounts that would be created or re-created by the Texas Constitution or revenue that would be dedicated or rededicated by the Texas Constitution under a constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, or to dedicated revenue deposited to funds or accounts that would be so created or re-created, if the constitutional amendment is approved by the voters.

SECTION 8. ADDITIONAL USES FOR DEDICATED FUNDS OR ACCOUNTS. Provides that Section 2 of this Act does not apply to a newly authorized use of a dedicated fund or dedicated account as provided by an Act of the 86th Legislature, Regular Session, 2019, to the extent the fund or account was exempted from abolition by an Act of the legislature that became law before January 1, 2019, and to the extent that the newly authorized use is within the scope of the original dedication of the fund or account.

SECTION 9. COMMERCIAL SEXUAL EXPLOITATION VICTIM FUND; DEDICATION OF REVENUE. Provides that Section 2 of this Act does not apply to the commercial sexual exploitation victim fund, created as a dedicated account in the general revenue fund by Article 102.023, Code of Criminal Procedure, as added by H.B. 3206 or similar legislation of the 86th Legislature, Regular Session, 2019, that becomes law, and does not apply to the dedication of revenue to that account as provided by that legislation.

SECTION 10. TEXAS B-ON-TIME STUDENT LOAN ACCOUNT. (a) Amends Section 56.0092(d), Education Code, as follows:

(d) Provides that the Texas B-On-time student loan account, on September 1, 2024, rather than September 1, 2020, is abolished, and any remaining money in the account is authorized to be appropriated only to eligible institutions in the manner provided by Subsection (e) (relating to requirements for the appropriation of certain funds).

(b) Provides that Section 2 of this Act does not apply to the dedication of money in the Texas B-On-time student loan account as rededicated by this Act.

SECTION 11. ACCOUNTS IN THE GENERAL REVENUE FUND. Provides that, effective on the later of the effective date of the Act creating or re-creating the specified account or August 31, 2019, the following accounts, the revenue deposited to the credit of those accounts, and the revenue dedicated for deposit to the credit of those accounts, are exempt from Section 2 of this Act and the accounts are created or re-created in the general revenue fund, if created or re-created by an Act of the 86th Legislature, Regular Session, 2019, that becomes law:

(1) the identification fee exemption account, created as an account in the general revenue fund by H.B. 123 or similar legislation;

(2) the newborn screening preservation account, created as an account in the general revenue fund by H.B. 1111, S.B. 748, or similar legislation;

(3) the cultivated oyster mariculture cleanup subaccount in the game, fish, and water safety account, created as a subaccount by H.B. 1300 or similar legislation;

- (4) the state hemp production account, created as an account in the general revenue fund by H.B. 1325 or similar legislation;
- (5) the disaster recovery loan account, created as an account in the general revenue fund by H.B. 2300 or similar legislation;
- (6) the Texas music incubator account, created as an account in the general revenue fund by H.B. 2806 or similar legislation;
- (7) the border security infrastructure enhancement fund, created as an account in the general revenue fund by H.B. 4306 or similar legislation;
- (8) the historic site account, re-created as an account in the general revenue fund by S.B. 26 or similar legislation;
- (9) the specialty court account, the DNA testing account, and the transportation administrative fee account, created as accounts in the general revenue fund by S.B. 346 or similar legislation;
- (10) the safety training account, created as an account in the general revenue fund by S.B. 568 or similar legislation;
- (11) the veterans treatment court account, created as an account in the general revenue fund by S.B. 1180 or similar legislation; and
- (12) the coastal erosion response account, re-created as an account in the general revenue fund by S.B. 1719 or similar legislation.

**SECTION 12. SEPARATE FUNDS.** Provides that, effective on the later of the effective date of the Act creating or re-creating the specified fund or August 31, 2019, the following funds, if created or re-created by an Act of the 86th Legislature, Regular Session, 2019, the revenue deposited to the funds, and the revenue dedicated for deposit to the funds, are exempt from Section 2 of this Act, and the funds are created or re-created as separate funds inside or outside of the state treasury, as specified by the Act creating or re-creating the fund:

- (1) the flood infrastructure fund, created as a special fund in the treasury by H.B. 13 or similar legislation;
- (2) the pesticide disposal fund, created as a special fund in the treasury by H.B. 191 or similar legislation;
- (3) the disaster reinvestment and infrastructure planning revolving fund, created as a special fund outside of the treasury by H.B. 274 or similar legislation;
- (4) the cannabis testing and quality control fund, created as provided by H.B. 1365 or similar legislation;
- (5) the dedicated account in the general revenue fund for proceeds from the sale of certain historic property, created by H.B. 1422 or similar legislation;
- (6) the Texas-bred incentive fund, created as an escrow account in the treasury by H.B. 3366 or similar legislation;
- (7) the Texas emissions reduction plan fund, created as a trust fund outside the treasury to be held by the comptroller and administered by the Texas Commission on Environmental quality as trustee by H.B. 3745 or similar legislation;

(8) the Texas innovation fund and state agency technology upgrades account, created as special funds outside of the treasury by H.B. 4214 or similar legislation;

(9) the flood infrastructure fund, created as a special fund in the treasury by S.B. 7 or similar legislation;

(10) the Texas leverage fund, created as a trust fund held outside the treasury by the comptroller as trustee by S.B. 132 or similar legislation;

(11) the jury service fund, created as a fund in the treasury by S.B. 346 or similar legislation; and

(12) the charter school liquidation fund, created as provided by S.B. 1454 or similar legislation.

**SECTION 13. REVENUE DEDICATIONS.** Provides that, effective on the later of the effective date of the Act dedicating or rededicating the specified revenue or August 31, 2019, the following dedications or rededications of revenue collected for a particular purpose are exempt from Section 2 of this Act, if dedicated or rededicated by an Act of the 86th Legislature, Regular Session, 2019:

(1) the dedication of certain tax revenue to the drug court account provided by H.B. 1243 or similar legislation;

(2) the dedication of certain fee revenue to the Texas Department of Motor Vehicles (TxDMV) fund provided by H.B. 1548 or similar legislation;

(3) the dedication of revenue to the state highway fund by H.B. 1649 or similar legislation;

(4) the dedication of certain fee revenue to the TxDMV fund provided by H.B. 1711 or similar legislation;

(5) the dedication of certain administrative penalty revenue to the sexual assault program fund provided by H.B. 1735 or similar legislation;

(6) the dedication of revenue to the state lottery account provided by H.B. 1790 or similar legislation;

(7) the dedication of certain assessment revenue to the account with the Texas Treasury Safekeeping Trust Company provided by H.B. 1880 or similar legislation;

(8) the dedication of certain revenue to the Texas Racing Commission account in the general revenue fund provided by H.B. 1995 or similar legislation;

(9) the dedication of certain administrative penalty revenue to the freestanding emergency medical care facility licensing fund provided by H.B. 2041 or similar legislation;

(10) the dedication of grants or donations to the state highway fund provided by H.B. 2043 or similar legislation;

(11) the dedication of certain revenue to the designated trauma facility and emergency medical services account provided by H.B. 2048 or similar legislation;

(12) the dedication of fee revenue to the Texas mobility fund provided by H.B. 2478 or similar legislation;

- (13) the dedication of revenue provided by H.B. 2587 or similar legislation;
- (14) the dedication of certain fee revenue to the TxDMV fund provided by H.B. 2620 or similar legislation;
- (15) the dedication of revenue to the Texas water resources fund provided by H.B. 4116 or similar legislation;
- (16) the dedication of revenue to the foundation school fund provided by H.B. 4306 or similar legislation;
- (17) the dedication of revenue provided by S.B. 7 or similar legislation;
- (18) the dedication of revenue provided by S.B. 26 or similar legislation;
- (19) the dedication of administrative penalty revenue to the sexual assault program fund provided by S.B. 212 or similar legislation;
- (20) the dedication of gifts, grants, and donations to the motorcycle education fund account provided by S.B. 616 or similar legislation;
- (21) the dedication of fee revenue to the game, fish, and water safety account provided by S.B. 733 or similar legislation; and
- (22) the dedication of fee revenue to the food and drug retail fee account provided by S.B. 932 or similar legislation.

**SECTION 14. REALLOCATION OF INTEREST ACCRUED ON CERTAIN DEDICATED REVENUE.** Reenacts Section 403.0956 (Reallocation of Interest Accrued on Certain Dedicated Revenue), Government Code, effective September 1, 2019, and makes no further changes to that section.

**SECTION 15. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE.** Amends Sections 403.095(b), (d), and (f), Government Code, effective September 1, 2019, as follows:

(b) Provides that dedicated revenues that on August 31, 2021, are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 86th Legislature, rather than dedicated revenues that on August 31, 2019, are estimated to exceed the amount appropriated by the General Appropriations Act or other laws enacted by the 85th Legislature, notwithstanding any law dedicating or setting aside revenue for a particular purpose or entity, are available for general governmental purposes and are considered available for the purpose of certification under Section 403.121 (Contents of Estimate).

(d) Requires the comptroller, following certification of the General Appropriations Act and other appropriations measures enacted by the 86th Legislature, rather than enacted by the 85th Legislature, to reduce each dedicated account as directed by the legislature by an amount that is prohibited from exceeding the amount by which estimated revenues and unobligated balances exceed appropriations.

(f) Provides that this section (Use of Dedicated Revenue) expires September 1, 2021, rather than September 1, 2019.

**SECTION 16. AMENDMENT OF SECTION 504.6012, TRANSPORTATION CODE.** Amends Section 504.6012, Transportation Code, effective September 1, 2019, as follows:

**Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS; REVENUES IN TRUST.** (a) Requires the comptroller, notwithstanding any other law, not later than September 30, 2019, rather than September 30, 2015, to eliminate all dedicated accounts established for specialty license plates and to set aside the balances of

those dedicated accounts so that the balances are authorized to be appropriated only for the purposes intended as provided by the dedications.

(b) Requires the portion of a fee payable that is designated for deposit to a dedicated account, on and after September 1, 2019, rather than on and after September 1, 2015, to be paid instead to the credit of an account in a trust fund created by the comptroller outside the general revenue fund.

**SECTION 17. STRATEGIC MAPPING ACCOUNT.** (a) Reenacts Section 16.023 (Strategic Mapping Account), Water Code, as added by Section 2.13, Chapter 1430 (S.B. 3), Acts of the 80th Legislature, Regular Session, 2007, and makes no further changes to this section.

(b) Provides that the strategic mapping account is re-created by this Act as an account in the general revenue fund, and all revenue dedicated for deposit to the credit of the strategic mapping account is rededicated by this Act for that purpose. Provides that Section 2 of this Act does not apply to the account as re-created by this Act or a dedication of revenue to the account as rededicated by this Act.

**SECTION 18. EFFECT OF ACT.** (a) Provides that this Act prevails over any other Act of the 86th Legislature, Regular Session, 2019, regardless of the relative dates of enactment, that purports to create or re-create a special fund or account 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) Provides that an exemption from the application of Section 403.095, Government Code, contained in another Act of the 86th Legislature, Regular Session, 2019, that is exempted from the application of Section 2 of this Act has no effect.

(c) Requires revenue that, under the terms of another Act of the 86th Legislature, Regular Session, 2019, would be deposited to the credit of a special account or fund to be deposited to the credit of the undedicated portion of the general revenue fund unless the fund, account, or dedication is exempted under this Act.

**SECTION 19. EFFECTIVE DATE.** Effective date, except as otherwise provided by this Act: upon passage or on the 91st day after the last day of the legislative session.