A JOINT RESOLUTION

proposing a constitutional amendment concerning the limitation on
the rate of growth in appropriations and the use of unencumbered
surplus state revenues to provide for a rebate of state franchise
taxes, to reduce public school district property taxes, and to fund
the state’s rainy day fund.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 22, Article VIII, Texas Constitution, is
amended to read as follows:

Sec. 22. (a) In no biennium shall the rate of growth of
appropriations from all sources of revenue other than the federal
government exceed a rate equal to the sum of the estimated rates of:

(1) the state’s population; and

(2) inflation or deflation in this state’s economy.

(b) The rates described by Subsection (a) of this section
shall be estimated in the manner provided by general law. If the
sum of those estimated rates is a negative number, appropriations
for the biennium from all sources of revenue other than the federal
government must decrease by a rate at least equal to the additive
inverse of the sum of those estimated rates.

(c) In this section, the rate of change of appropriations
from all sources of revenue other than the federal government is the
percentage difference between:

(1) the amount of money appropriated for the current biennium from those sources as estimated in the manner prescribed by law at or near the time the legislature convenes in regular session during the current biennium; and

(2) the amount of money appropriated for the next biennium from those sources as finally estimated by the comptroller at the times the Acts making appropriations are considered by the comptroller under Article III, Section 49a, of this constitution.

(d) The legislature shall provide by general law procedures to implement Subsections (a), (b), and (c) of this section.

(e) If the legislature by adoption of a resolution approved by a record vote of a majority of the members of each house finds that an emergency exists and identifies the nature of the emergency, the legislature may provide for appropriations in excess of the amount authorized by Subsection (a) of this section. The excess authorized under this subsection may not exceed the amount specified in the resolution.

(f) In no case shall appropriations exceed revenues as provided in Article III, Section 49a, of this constitution. Nothing in this section shall be construed to alter, amend, or repeal Article III, Section 49a, of this constitution.

SECTION 2. Subsection (b), Section 49-g, Article III, Texas Constitution, is amended to read as follows:

(b) The comptroller shall, not later than the 90th day of each biennium, transfer to the economic stabilization fund
one-third [one-half] of any unencumbered positive balance of
general revenues on the last day of the preceding biennium. If
necessary, the comptroller shall reduce the amount transferred in
proportion to the other amounts prescribed by this section to
prevent the amount in the fund from exceeding the limit in effect
for that biennium under Subsection (g) of this section. For
purposes of this subsection, general revenues are considered
encumbered on the last day of a biennium only to the extent that
general revenues are subject to payment for particular identifiable
and legally enforceable obligations of this state that were
incurred on or before that day and intended to be paid out of
appropriations for that biennium.

SECTION 3. Article III, Texas Constitution, is amended by
adding Section 49-g-1 to read as follows:

Sec. 49-g-1. (a) Not later than the 90th day of each state
fiscal biennium, the comptroller shall ascertain the amount of the
unencumbered positive balance of general revenues on the last day
of the preceding state fiscal biennium that remains after the
transfer of revenues to the economic stabilization fund under
Subsection (b), Section 49-g, Article III, of this constitution.

For purposes of this subsection, general revenues are considered
encumbered on the last day of a state fiscal biennium only to the
extent that general revenues are subject to payment for particular
identifiable and legally enforceable obligations of this state that
were incurred on or before that day and intended to be paid out of
appropriations for that state fiscal biennium.

(b) The legislature by general law shall provide a procedure
by which the comptroller shall issue to payers of this state's franchise tax a rebate of franchise taxes paid during the preceding state fiscal biennium so that:

(1) the total amount of rebates issued equals the lesser of one-half of the amount of the remaining unencumbered positive balance of general revenues ascertained under Subsection (a) of this section or the total amount of state franchise taxes collected during that preceding state fiscal biennium; and

(2) each payer of the franchise tax during that preceding state fiscal biennium receives a share of the total amount of rebates issued that is directly proportionate to the share that the amount of that taxpayer's franchise taxes paid during that preceding state fiscal biennium bears to the total amount of franchise taxes collected during that preceding state fiscal biennium.

(c) Not later than the 91st day of each state fiscal biennium, the comptroller shall transfer to the property tax relief fund established by general law one-half of the amount of the unencumbered positive balance of general revenues ascertained under Subsection (a) of this section to be used for reducing public school district property taxes as provided by general law.

SECTION 4. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 3, 2015. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment concerning the limitation on the rate of growth in appropriations and the use of unencumbered surplus state revenues to provide for a rebate of
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1 state franchise taxes, to reduce public school district property
2 taxes, and to fund the state's rainy day fund."