

GOVERNMENT CODE
TITLE 3. LEGISLATIVE BRANCH
SUBTITLE B. LEGISLATION
CHAPTER 316. APPROPRIATIONS

SUBCHAPTER A. LIMIT ON GROWTH OF APPROPRIATIONS

Sec. 316.001. LIMIT. (a) For purposes of this subchapter, "consolidated general revenue appropriations" means appropriations from:

- (1) the general revenue fund in the state treasury;
- (2) a dedicated account in the general revenue fund in the state treasury; or
- (3) a general revenue-related fund in the state treasury as identified in the biennial statement required of the comptroller under Section [49a](#), Article III, Texas Constitution.

(b) The rate of growth of appropriations in a state fiscal biennium from state tax revenues not dedicated by the constitution may not exceed the estimated rate of growth of the state's economy.

(c) The rate of growth of consolidated general revenue appropriations in a state fiscal biennium may not exceed the estimated average biennial rate of growth of this state's population during the state fiscal biennium preceding the biennium for which appropriations are made and during the state fiscal biennium for which appropriations are made, adjusted by the estimated average biennial rate of monetary inflation in this state during the same period, as determined under Section [316.002](#).

(d) For purposes of this subchapter, the following appropriations must be excluded from computations used to determine whether appropriations exceed the amount authorized by Subsection (c):

- (1) an appropriation for a purpose that provides tax relief; or
- (2) an appropriation to pay costs associated with recovery from a disaster declared by the governor under Section [418.014](#).

(e) The Legislative Budget Board shall determine the rates

described by Subsection (c) using the most recent information available from sources the board considers reliable, including the United States Bureau of Labor Statistics Consumer Price Index and the Texas Demographic Center.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 437 (S.B. 1336), Sec. 1, eff. September 1, 2021.

Sec. 316.002. DUTIES OF LEGISLATIVE BUDGET BOARD.

(a) Before the Legislative Budget Board transmits the budget for the next state fiscal biennium as prescribed by Section 322.008(c), the board shall establish:

(1) the limit on the rate of growth of appropriations from state tax revenues not dedicated by the constitution for that state fiscal biennium, as compared to the previous state fiscal biennium, based on the estimated rate of growth of the state's economy from the current state fiscal biennium to the next state fiscal biennium; and

(2) the limit on the rate of growth of consolidated general revenue appropriations for that state fiscal biennium, as compared to the previous state fiscal biennium, by subtracting one from the product of:

(A) the sum of one and the estimated average biennial rate of growth of this state's population during the state fiscal biennium preceding the biennium for which appropriations are made and during the state fiscal biennium for which appropriations are made; and

(B) the sum of one and the estimated average biennial rate of monetary inflation during the state fiscal biennium preceding the biennium for which appropriations are made and during the state fiscal biennium for which appropriations are made.

(b) Except as provided by Subsection (c), the board shall determine the estimated rate of growth of the state's economy for purposes of Subsection (a)(1) by dividing the estimated Texas total personal income for the next state fiscal biennium by the estimated

Texas total personal income for the current state fiscal biennium. Using standard statistical methods, the board shall make the estimate by projecting through the biennium the estimated Texas total personal income reported by the United States Department of Commerce or its successor in function.

(c) If a more comprehensive definition of the rate of growth of the state's economy is developed and is approved by the committee established by Section 316.005, the board may use that definition in calculating the limit on the rate of growth of appropriations from state tax revenues not dedicated by the constitution under Subsection (a)(1).

(d) Except as provided by Subsection (e), the board shall determine for the next state fiscal biennium a limit on the amount of:

(1) appropriations from state tax revenues not dedicated by the constitution by multiplying the amount of appropriations from state tax revenues not dedicated by the constitution for the current state fiscal biennium by the sum of one and the limit on the rate of growth of appropriations from state tax revenues not dedicated by the constitution established by the board under Subsection (a)(1); and

(2) consolidated general revenue appropriations by multiplying the amount of consolidated general revenue appropriations for the current state fiscal biennium by the sum of one and the limit on the rate of growth of consolidated general revenue appropriations established by the board under Subsection (a)(2).

(e) If the rate determined under Subsection (a)(2) is a negative number, the amount of consolidated general revenue appropriations for the next state fiscal biennium may not exceed the amount of consolidated general revenue appropriations in the current state fiscal biennium.

(f) To ensure compliance with this subchapter and Section 22, Article VIII, Texas Constitution, the Legislative Budget Board may not transmit in any form to the governor or the legislature the budget as prescribed by Section 322.008(c) or the general appropriations bill as prescribed by Section 322.008(d) until the

board adopts:

(1) the limit on the rate of growth of appropriations from state tax revenues not dedicated by the constitution under Section 316.001(b); and

(2) the limit on the rate of growth of consolidated general revenue appropriations under Section 316.001(c).

(g) In the absence of an action by the Legislative Budget Board to adopt the limits as provided by this section:

(1) for purposes of Section 316.001(b):

(A) the estimated rate of growth of the state's economy from the current state fiscal biennium to the next state fiscal biennium shall be treated as if it were zero; and

(B) the amount of state tax revenues not dedicated by the constitution that could be appropriated within the limit established by the estimated rate of growth of the state's economy shall be the same as the amount of those appropriations for the current state fiscal biennium; and

(2) for purposes of Section 316.001(c):

(A) the estimated average biennial rates of growth of this state's population and of monetary inflation shall be treated as if they were zero; and

(B) the amount of consolidated general revenue appropriations that could be appropriated within the limit established by that subsection shall be the same as the amount of those appropriations for the current state fiscal biennium.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 4, Sec. 19.01, eff. Aug. 22, 1991.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 11.002, eff. September 1, 2011.

Acts 2021, 87th Leg., R.S., Ch. 437 (S.B. 1336), Sec. 1, eff. September 1, 2021.

Sec. 316.003. PUBLICATION. Before the Legislative Budget Board approves the items of information required by Section 316.002, the board shall publish in the Texas Register the proposed

items of information and a description of the methodology and sources used in the calculations.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 316.004. PUBLIC HEARING. Not later than December 1 of each even-numbered year, the Legislative Budget Board shall hold a public hearing to solicit testimony regarding the proposed items of information and the methodology used in making the calculations required by Section 316.002.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 316.005. ADOPTION BY COMMITTEE. (a) After the Legislative Budget Board approves the items of information required by Section 316.002, the board shall submit the information to a committee composed of the governor, lieutenant governor, speaker of the house of representatives, and comptroller of public accounts.

(b) Not later than the 10th day after the date on which the board submits the items, the committee shall meet and finally adopt the items, either as submitted by the board or as amended by the committee.

(c) If the committee fails to act within the 10-day period prescribed by Subsection (b), the items of information submitted by the board are treated as if the committee had adopted them as submitted.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 316.006. LIMIT ON BUDGET RECOMMENDATIONS. Unless authorized by majority vote of the members of the board from each house, the Legislative Budget Board budget recommendations:

(1) relating to the proposed appropriations from state tax revenues not dedicated by the constitution may not exceed the limit on appropriations from those sources adopted by the committee under Section 316.005; and

(2) relating to the proposed consolidated general revenue appropriations may not exceed the limit on appropriations from those sources adopted by the committee under Section 316.005.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 437 (S.B. [1336](#)), Sec. 1, eff. September 1, 2021.

Sec. 316.007. TRANSMISSION OF RECOMMENDATIONS. (a) The Legislative Budget Board shall include in its budget recommendations:

(1) the proposed limit of appropriations from state tax revenues not dedicated by the constitution; and

(2) the proposed limit of consolidated general revenue appropriations.

(b) The board shall transmit the recommendations to the governor and to each member of the legislature.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 437 (S.B. [1336](#)), Sec. 2, eff. September 1, 2021.

Sec. 316.008. EFFECT OF LIMIT; ENFORCEMENT. (a) Unless the legislature adopts a resolution under Section [22](#), Article VIII, Texas Constitution, raising the proposed limit on appropriations from state tax revenues not dedicated by the constitution, the proposed limit is binding on the legislature with respect to all appropriations for the next state fiscal biennium made from those revenues. The proposed limit on consolidated general revenue appropriations is binding on the legislature with respect to all appropriations for the next state fiscal biennium made from those sources unless the legislature adopts a resolution raising the proposed limit that is approved by a record vote of three-fifths of the members of each house of the legislature. The resolution must find that an emergency exists, identify the nature of the emergency, and specify the amount authorized. The excess amount authorized under this subsection may not exceed the amount specified in the resolution.

(b) The rules of the house of representatives and senate shall provide for enforcement of Subsection (a).

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 437 (S.B. 1336), Sec. 3, eff. September 1, 2021.

Sec. 316.009. SUBMISSION OF BILL BY GOVERNOR. The governor may prepare a general appropriation bill and submit printed copies of it to the lieutenant governor, speaker of the house of representatives, and each member of the legislature. The bill must be submitted not later than the 30th day of the legislature's regular session, except that if a person is inaugurated as governor who was not governor preceding the inauguration, the bill must be submitted not later than the 20th day after the date of that inauguration.

Added by Acts 1987, 70th Leg., ch. 147, Sec. 2, eff. Sept. 1, 1987.

SUBCHAPTER B. REFERENCES TO GENERAL APPROPRIATIONS ACT

Sec. 316.011. LEGISLATIVE INTENT. It is the intent of the legislature that references in law to a specific article of the General Appropriations Act be by article title only.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 316.012. CONSTRUCTION OF REFERENCE. If a statute enacted or last amended before 1982 refers by number to an article of the General Appropriations Act, the reference means the article of the current General Appropriations Act, regardless of numerical designation, that corresponds in substance to the numerically cited article as it existed on the date of the enactment or most recent amendment of the statute.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

SUBCHAPTER C. APPROPRIATIONS BILLS

Sec. 316.021. INTRODUCTION OF APPROPRIATIONS BILLS. The lieutenant governor or the speaker of the house may cause the general appropriations bills prepared by the governor and by the director of the Legislative Budget Board to be introduced in the

senate and house, or any member of the legislature may introduce the bills in the appropriate branch of the legislature.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 316.022. COMMITTEE HEARINGS. (a) Hearings on the appropriations bills prepared by the director of the Legislative Budget Board and by the governor shall be conducted by the House Appropriations Committee and the Senate Finance Committee.

(b) The committees may begin preliminary hearings on the budget after receiving the bill prepared by the director without waiting for submission of the bill prepared by the governor.

(c) Each head of a government department, institution, or other agency requesting an appropriation is entitled to appear before either committee in behalf of the requested appropriation. A state taxpayer is entitled to appear and to be heard at any hearing on a proposed appropriation.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 316.023. AUTHORIZATION TO FIND FACT. The governor may find any fact specified by the legislature in an appropriation Act as a contingency for the expenditure of a designated item of appropriation.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 13, eff. Sept. 1, 1993.

Sec. 316.024. PROCEDURE FOR FINDING FACT. (a) The governor shall make a finding of fact under Section 316.023 from the evidence as it exists at the time of the determination.

(b) The governor shall make a finding of fact under Section 316.023 only after a public hearing, if such a hearing is required in an appropriation Act.

(c) The governor shall file a decision, together with a finding of fact made under Section 316.023, with the Legislative Budget Board and the comptroller.

(d) The governor's certificate, under the seal of office, stating the decision or finding is evidence of the decision or finding.

(e) A decision or finding under Section 316.023 is final,

subject to judicial review by appropriate legal remedies.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 13, eff. Sept. 1, 1993.

SUBCHAPTER D. APPROPRIATION OF UNOBLIGATED FUND BALANCES TO GENERAL
REVENUE FUND

Sec. 316.031. LEGISLATIVE FINDING AND INTENT. (a) The legislature finds that, to ensure the efficient operation of state agencies and to provide for the necessary costs of state government operation, it is in the public interest to provide a means for periodic legislative review and control of unobligated cash balances and income held by state agencies in funds other than the general revenue fund.

(b) It is the intent of the legislature that:

(1) funds with an unobligated balance at the end of a fiscal year in excess of that amount necessary to fulfill an agency's statutory duties shall be identified within the General Appropriations Act by fund; and

(2) the amounts of unobligated actual or projected balances held in those funds in excess of the amounts determined by the legislature to be sufficient to fulfill statutory requirements shall be appropriated to the general revenue fund.

(c) Any appropriation of fund balances made under this subchapter is for the purpose of providing for the cost of operation of state government. The amount of an unobligated fund balance to be appropriated to the general revenue fund may be designated in the General Appropriations Act as a sum certain or designated through use of a formula or percentage.

Added by Acts 1987, 70th Leg., ch. 167, Sec. 2.06(a), eff. Sept. 1, 1987.

Sec. 316.032. CONFLICTING LAWS SUSPENDED. (a) Any law that provides specific purposes for which a fund or revenue source may be used and expended and that restricts the use of revenues and balances is suspended to the extent that it conflicts with the provisions and intent of appropriations made under this subchapter in the General Appropriations Act.

(b) If the General Appropriations Act does not provide for the appropriation of unobligated fund balances to the general revenue fund, any transfer or appropriation of fund balances shall occur as specified by law.

Added by Acts 1987, 70th Leg., ch. 167, Sec. 2.06(a), eff. Sept. 1, 1987.

Sec. 316.033. FUNDS EXCLUDED. This subchapter applies to funds established by state law, but does not apply to any portion of a fund derived from constitutionally dedicated revenues or to funds or fund balances that are:

- (1) dedicated by the Texas Constitution;
- (2) held in trust or escrow for the benefit of any person or entity other than a state agency;
- (3) pledged to the payment of bonds, notes, or other debts;
- (4) derived from gifts, donations, or endowments made to state agencies or institutions of higher education;
- (5) pledged to the capital trust fund to be used for construction; or
- (6) maintained by institutions of higher education, including the Texas State Technical College System.

Added by Acts 1987, 70th Leg., ch. 167, Sec. 2.06(a), eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1104, Sec. 5, eff. June 16, 1989; Acts 1991, 72nd Leg., ch. 287, Sec. 30, eff. Sept. 1, 1991; Acts 1997, 75th Leg., ch. 165, Sec. 30.188, eff. Sept. 1, 1997.

SUBCHAPTER E. ADJUSTMENT OF STATE FEES IN GENERAL APPROPRIATIONS
ACT

Sec. 316.041. LEGISLATIVE FINDING AND INTENT. (a) The legislature finds that, to ensure the efficient operation of state agencies and institutions of higher education and to allow for the assessment of fees adequate to reimburse the state for the costs of state services and regulatory functions, it is in the public interest to provide for the adjustment of state fees by the

legislature in the General Appropriations Act. It is the intent of the legislature that fees be adjusted biennially in the General Appropriations Act in a manner that provides for the recovery of any increased costs to the state resulting from the performance of services and functions for which a fee is levied. It is the intent of the legislature that, to the extent that senate and house rules allow, each substantive committee shall retain jurisdiction over any adjustment in fees as part of the appropriations process.

(b) Any increase in the amount of a fee made under this subchapter is for the purpose of recovering, on an annual basis, the costs to the state agency or institution of higher education increasing the fee. Where fee amounts are increased on a percentage basis, fee amounts may be rounded to the nearest whole dollar.

Added by Acts 1987, 70th Leg., ch. 167, Sec. 2.07(a), eff. Sept. 1, 1987.

Sec. 316.042. APPLICATION OF SUBCHAPTER. (a) This subchapter applies to all fees not set by the Texas Constitution, but does not apply to fees that are dedicated to pay bonded indebtedness.

(b) The General Appropriations Act may not specify the amount of a fee unless imposition of that fee is authorized by general law.

(c) This subchapter does not apply to tuition charged by institutions of higher education.

Added by Acts 1987, 70th Leg., ch. 167, Sec. 2.07(a), eff. Sept. 1, 1987.

Sec. 316.043. AMOUNT OF FEE. (a) The amount of a fee covered by this subchapter is the amount specified for that fee in the General Appropriations Act. Fee adjustments authorized through the General Appropriations Act are only for the purpose of offsetting inflation.

(b) A law that specifies the amount of a fee subject to this subchapter is suspended to the extent that it conflicts with the amount of the fee specified in the General Appropriations Act.

(c) If the General Appropriations Act does not specify the

amount of the fee, the fee is the amount specified by law.

(d) If a board of regents has the authority to establish a fee that falls within a statutory range, the amounts set under this subchapter constitute only the maximum amount for those fees.

Added by Acts 1987, 70th Leg., ch. 167, Sec. 2.07(a), eff. Sept. 1, 1987.

Sec. 316.044. HEARINGS ON FEE INCREASES AT INSTITUTIONS OF HIGHER EDUCATION. Fees at institutions of higher education may not be increased unless a public hearing is held on the increase.

Added by Acts 1987, 70th Leg., ch. 167, Sec. 2.07(a), eff. Sept. 1, 1987.

Sec. 316.045. REDUCTION IN CERTAIN AGENCY FEES. (a) Each state agency that sets the fees charged by that agency in amounts that are reasonable and necessary to cover the administrative costs of the agency shall review the amounts charged as fees on a biennial basis. The agency shall review the fees before the beginning of each state fiscal biennium and incorporate its recommendations based on that review in its budget request submitted to the Legislative Budget Board and the budget division of the governor's office.

(b) If the agency determines that the fees are set at a level that exceeds the administrative costs of the agency as of the date of the review, the agency shall reduce the amount of the affected fees to the appropriate level and shall charge the reduced fees during the subsequent biennium. Each agency shall give specific recognition to reductions in salary expenses resulting from statutorily directed employee attrition.

Added by Acts 1987, 70th Leg., ch. 167, Sec. 2.07(a), eff. Sept. 1, 1987.

SUBCHAPTER G. FISCAL YEAR

Sec. 316.071. FISCAL YEAR; APPROPRIATIONS. (a) The state fiscal year ends on August 31 of each year.

(b) Appropriations of state government shall conform to

this fiscal year.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 14, eff. Sept. 1, 1993.

Sec. 316.072. REPORTS; CLOSURE OF ACCOUNTS. (a) All officers required by law to report annually or biennially to the legislature or governor shall close their accounts at the end of the fiscal year.

(b) As soon as practicable after the end of the fiscal year, the officers shall prepare and compile their respective reports.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 14, eff. Sept. 1, 1993.

SUBCHAPTER H. ALLOCATION OF TRANSFERS TO ECONOMIC STABILIZATION
FUND AND STATE HIGHWAY FUND

Sec. 316.091. DEFINITION. In this subchapter, "fund" means the economic stabilization fund.

Added by Acts 2013, 83rd Leg., 3rd C.S., Ch. 1 (H.B. 1), Sec. 3, eff. November 22, 2013.

For expiration of this section, see Subsection (b).

Sec. 316.092. DETERMINATION OF THRESHOLD FOR CONSTITUTIONAL TRANSFER TO STATE HIGHWAY FUND. (a) For the purposes of adjusting the allocations of transfers in accordance with Section 49-g(c-2), Article III, Texas Constitution, and Section 316.093 for a state fiscal biennium, the comptroller shall determine and adopt for the state fiscal biennium an amount equal to seven percent of the certified general revenue-related appropriations made for that state fiscal biennium.

(b) This section expires December 31, 2042.

Added by Acts 2013, 83rd Leg., 3rd C.S., Ch. 1 (H.B. 1), Sec. 3, eff. November 22, 2013.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1336 (S.B. 69), Sec. 2, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 1372 (S.B. 962), Sec. 1, eff. September 1, 2019.

Acts 2023, 88th Leg., R.S., Ch. 448 (H.B. 2230), Sec. 1, eff.

September 1, 2023.

For expiration of Subsections (a), (b), and (d), see Subsection (d).

Sec. 316.093. ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO FUND AND STATE HIGHWAY FUND. (a) Before the comptroller makes transfers for a state fiscal year in accordance with Section 49-g(c), Article III, Texas Constitution, the comptroller shall determine whether the sum of the balance of the fund on the preceding August 31, any projected transfer to the fund under Section 49-g(b) of that article, and any projected transfer to the fund under Section 49-g(c) of that article in accordance with the allocations for the transfer as provided by Section 49-g(c-1) of that article is less than the amount determined under Section 316.092 for that state fiscal biennium.

(b) If the sum described by Subsection (a) is less than the amount determined under Section 316.092 for that state fiscal biennium, the comptroller shall reduce the allocation to the state highway fund provided by Section 49-g(c), Article III, Texas Constitution, and increase the allocation to the economic stabilization fund, in an equal amount, until the amount determined under Section 316.092 for that state fiscal biennium would be achieved by the transfer to the fund or the total amount of the sum described by Section 49-g(c), Article III, Texas Constitution, is allocated to the fund, whichever occurs first.

(c) For the purposes of Section 49-g(c-2), Article III, Texas Constitution, the comptroller shall adjust the allocation provided by Section 49-g(c-1) of that article of amounts to be transferred to the fund and to the state highway fund under Section 49-g(c) of that article in a state fiscal year beginning on or after September 1, 2043, so that the total of those amounts is transferred to the economic stabilization fund, except that the comptroller shall reduce a transfer made under this subsection as necessary to prevent the amount in the fund from exceeding the limit in effect for that biennium under Section 49-g(g) of that article.

(d) Subsections (a) and (b) and this subsection expire December 31, 2042.

Added by Acts 2013, 83rd Leg., 3rd C.S., Ch. 1 (H.B. 1), Sec. 3, eff. November 22, 2013.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1336 (S.B. 69), Sec. 2, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 1372 (S.B. 962), Sec. 2, eff. September 1, 2019.

Acts 2023, 88th Leg., R.S., Ch. 448 (H.B. 2230), Sec. 2, eff. September 1, 2023.

Sec. 316.094. ALLOCATION OF CERTAIN AMOUNTS TRANSFERRED TO STATE HIGHWAY FUND. Amounts transferred to the state highway fund under Section 49-g(c), Article III, Texas Constitution, when appropriated, must be used and allocated throughout the state by the Texas Department of Transportation consistent with existing formulas adopted by the Texas Transportation Commission.

Added by Acts 2013, 83rd Leg., 3rd C.S., Ch. 1 (H.B. 1), Sec. 3, eff. November 22, 2013.