

By: Cain

H.B. No. 2952

A BILL TO BE ENTITLED

# 1 AN ACT

2 relating to municipal, county, and school district and other  
3 special district budgets.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. DEFINITION. (a) In this Act, "local government"  
6 means:

7 (1) a county

8 (2) a municipality;

9 (3) a school district or other special district; or

10 (4) any other local government or political  
11 subdivision of this state.

12 SECTION 2. LIMIT ON GROWTH OF BUDGET. (a) The governing  
13 body of a local government may not adopt a budget that exceeds the  
14 revenue adopted in the previous year by the lesser of:

15 (1) the growth in this state's gross state product as  
16 determined under Section 3 of this Act; or

17 (2) population growth in the local government plus  
18 inflation as determined under Sections 4 and 5 of this Act.

19 (b) The local government may exclude money received from the  
20 federal government in calculating the revenue

21 SECTION 3. GROSS STATE PRODUCT. The comptroller shall  
22 determine the estimated rate of growth of the Texas gross state  
23 product using information provided by the Bureau of Economic  
24 Analysis of the United States Department of Commerce or its

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1 successor in function and by other sources the comptroller  
2 considers reliable.

3 SECTION 4. POPULATION GROWTH. The comptroller shall  
4 determine the rate of growth of the local government's population.

5 SECTION 5. INFLATION. The comptroller shall determine the  
6 rate of monetary inflation in this state based on the average rate  
7 of change during the preceding six years of the effective consumer  
8 price index for this state. For purposes of this Act, the effective  
9 consumer price index for this state is the average of the consumer  
10 price indexes, as determined by the United States Department of  
11 Labor, for:

12 (1) the Houston metropolitan area; and  
13 (2) the Dallas/Fort Worth metropolitan area.

14 SECTION 6. REFERENDUM. The voters of a local government may  
15 nullify Section 2 of this Act if a majority of the voters voting at a  
16 referendum on that issue favor nullification.

17 SECTION 7. TRANSITION. This Act applies only to a local  
18 government budget adopted on or after the effective date of this  
19 Act. A local government budget adopted before the effective date of  
20 this Act is governed by the law in effect when the budget was  
21 adopted, and the former law is continued in effect for that purpose.

22 SECTION 8. EFFECTIVE DATE. This Act takes effect September  
23 1, 2011.