



FOR IMMEDIATE RELEASE

July 26, 2017

CONTACT: CAITY JACKSON

(512) 463-0109

Texas Senate Passes Bill to Tighten State Spending Limit

SB 9 would strengthen cap on government spending with long-term fix

AUSTIN - Early this morning, the Texas Senate passed Senate Bill 9 by Sen. Kelly Hancock (R-North Richland Hills) to tighten the state spending cap formula and keep future budgets in check.

"In Texas, fiscal responsibility isn't just a catch phrase," said Sen. Hancock. "This legislation looks ahead and puts permanent protections in place so future generations of Texans don't have to worry about state government growing out of control the way it has in Washington, D.C."

The state spending limit was originally adopted into the Texas constitution in 1978. It provides that certain types of state spending cannot exceed the rate of growth of the overall economy.

However, current law directs the Legislative Budget Board (LBB) to calculate Texas' economic growth rate using personal income growth statistics. Because personal income typically grows at a faster rate than the overall economy, the existing formula produces a false boundary.

SB 9 directs the LBB to use a population times inflation formula when calculating the spending limit, rather than personal income. It also expands the base of funds, or types of spending, that must be included when calculating the limit.

Gov. Greg Abbott this week announced a coalition of support for limiting growth in government spending based on population and inflation. For further details:

<https://gov.texas.gov/news/post/governor-abbott-announces-growing-support-for-limiting-growth-in-government>

To read the full text and analysis of SB 9 or to follow its progress throughout the special legislative session, visit [Texas Legislature Online](#).

###

Senator Hancock represents [District 9](#), which includes portions of Dallas and Tarrant Counties. He currently serves as Chairman of the Texas Senate Committee on Business & Commerce.