

Bullock: Legislators will have more money available next year

AUSTIN (AP) — State legislators will find an additional \$1.6 billion available to spend when they convene in January, as the state's total income over the next two years rises \$4.2 billion, Comptroller Bob Bullock forecast Tuesday.

Bullock's official estimate of revenue for the 1990-91 budget years said the state would take in \$45 billion from all sources, with the increase due to a rebounding economy.

"The Texas economy is in recovery and state government's revenue outlook is better than it has been in years," Bullock said.

Bullock said the additional \$1.6 billion available marks a \$3.7 billion turnaround from the point less than two years ago when the state's available income fell by \$2.1 billion.

"We have bounced back big and strong and we think the improvement will continue," the comptroller said in the forecast given to Gov. Bill Clements and legislators. "And our estimate would have been even larger if it had not been for the continued poor condition of the oil industry."

Bullock's forecast said the additional \$1.6 billion will be available to lawmakers even though several temporary taxes adopted by the 1987 Legislature are set to expire on Aug. 31, 1989.

The good news follows several years of bleak budget projections that began in November 1985, when oil prices plunged from near \$30 a barrel to less than \$10 and took the state's economy down with it.

"It's certainly positive news for us for the first time in a long time," state Treasurer Ann Richards said.

The forecast was hailed by a Clements spokesman as wonderful news for state government and great news for Texas taxpayers.

It is "proof-positive that the Texas economy continues to grow and expand and a sure sign that our economic development programs are working," Jay Rosser, deputy press secretary to the governor, who is traveling in Europe, said.

Although the OPEC nations agreed this week on production controls to boost oil prices to \$18 per barrel, Bullock said the relative importance of Texas' oil and gas taxes has fallen dramatically and the industry remains a shaky economic link.

In 1990-91, oil and gas taxes will bring in just 8 percent of tax revenues, down from a peak of 27 percent in 1982.

"At this time, a protracted decline in oil prices could be a major threat to the state's economic recovery," the comptroller's estimate said. "If oil prices fall below \$10 per barrel for six months or longer, Texas probably would be forced back into recession. Oil prices could fall dramatically if OPEC is unable to control production."

The estimate assumes oil prices will average \$15 a barrel in 1989, \$16 in 1990 and \$17.50 in 1991.

Although revenue from all sources will rise \$4.2 billion, all that extra money won't go into the Legislature's checkbook.

State and federal laws and the Texas Constitution restrict \$2.1 billion of the increase to education, highways, human services and other specific programs.

Another \$1.5 billion is a reserve to pay for pending legal challenges to the state's tax laws, particularly the corporate franchise, insurance and utility taxes, Bullock said.

That leaves a net increase of \$600

million in income, but lawmakers in the 1989 Legislature also gain \$1 billion that had to be spent last session to repay debts left over from 1986-87.

According to the revenue estimate, 1990-91 sales tax revenue will climb 15.7 percent, while motor vehicle tax collections will rise 13.5 percent.

Bullock projected smaller increases for motor fuel taxes, oil and gas taxes, and for the state's corporate franchise tax.

According to the forecast, the Texas economy will grow 3.6 percent per year, a little more than one percent faster than the national growth rate, during 1990 and 1991.

Richards: Texas could gain millions in battle for funds

AUSTIN (AP) — Texas will take on New York and Delaware in a case before the U.S. Supreme Court that could mean millions of dollars to the state, Treasurer Ann Richards said Tuesday.

"We are talking about lots and lots of money," said Richards.

The case concerns ownership of millions of dollars in dividends and interest that have no known owner, but originated in businesses and governmental entities nationwide, including Texas. The money is held in brokerage houses.

New York claims the money is theirs, since the brokerage houses are in New York. Delaware says it is their money, since the brokerage firms are incorporated in Delaware.

Richards said the money should be returned to states based on where the original payments came from. Funds coming from Texas, she said, should be Texas'.

She said the exact amount of money in question is unknown, but added that a report filed with the state of New York showed the amount of money remitted by one brokerage firm was \$3 million, \$300,000 of which was from Texas businesses.

How this money became unclaimed is a complicated matter.

For example, a brokerage house may buy shares of a

Texas company from another brokerage house for a client.

When the Texas company returns a dividend, the first brokerage house credits the purchaser, but the transfer of the stock has not been recorded so the second brokerage house also is credited with a dividend.

This money becomes unclaimed and its owner unknown.

"At every single juncture there is an amount of unclaimed property that comes out in that transaction. That results in a significant amount of money," said Richards.

"The only really known factor is that Texas, or Oklahoma, or whatever state is the one that originates the payment and that is the one known fact you have in all of these transactions. In other words it (the unclaimed funds) should come to the original issuer of the security," she said.

Richards, whose office administers Texas' unclaimed money program, said the state has filed a brief with the U.S. Supreme Court requesting that Texas be allowed to intervene in the suit between New York and Delaware. She also is urging other states to do the same.

"Texas money is now being sent to the state of New York. Neither Delaware nor New York should benefit from Wall Street's accounting errors," she said.

New England, Texas officials to begin campaign for natural gas deregulation

HOUSTON (AP) — Texas Railroad Commissioner John Sharp and U.S. Rep. Joseph Kennedy II said Tuesday they will help wage a national campaign for the deregulation of natural gas, a move they said would create jobs in Texas and a cheap, abundant source of clean energy for the Northeast.

Their comments came on the heels of a report by a joint Texas-New England committee on natural gas, which recommended economic deregulation of natural gas and tax incentives for gas drilling.

"What we have found, and we think that this committee has proven, is that it is possible . . . for various regions of this country to come together on an energy policy that uses natural gas as a cornerstone," Sharp said during a natural gas symposium.

Texas has lost a trillion cubic feet of the natural gas market since 1981, Sharp said, a figure which represents 300,000 jobs that have been lost since the downturn in the energy industry.

New England will use the equivalent of a trillion cubic feet of natural gas in the next 14 months alone, and the need for gas in California and

other states also is on the rise, Sharp said.

One of the key strategies to boosting the natural gas industry, however, will center on the environmental benefits of gas, Sharp and Kennedy agreed.

"The energy policy of this country today isn't just a policy that affects the United States," Kennedy said.

"But more important, I think it's going to affect future generations as we look at the greenhouse effect, as we look at the problems of acid rain and other problems with our environment."

Kennedy, who described his first visit to Houston a decade ago when he spied a bumper sticker declaring

"Drive 70 — Freeze a Yankee," said the country and its energy needs have changed significantly in the years since.

"We have up in New England tremendous demands for new energy supplies," he said. "While right here in Texas and throughout the Southwest . . . we have enormous supplies of natural gas."

hachie, who suggested the super collider be named "The Cellar" so "it can be advertised as the home of the Texas Rangers and Dallas Cowboys."

"Will the employees be known as 'The Atom's Family'?" Thomas further mused.

Receiving honorable mention were the names Armadillotron, The Big Bang Thang, Big Texelerator, Proton-B-Que and Wax-amashie.

Newspaper contest nicknames Super Collider — 'Super Clyde'

DALLAS (AP) — Its official name is the Ronald Reagan Center for High Energy Physics, but a newspaper contest has yielded a friendlier moniker for the "Super Collider" — Super Clyde.

The Texas-style name for the underground proton accelerator to be placed in Ellis County is the inspiration of Jewel P. Clark, 72, of Garland. She told the *Dallas Morning News* it "just popped into my head."

"It's easy to say, and still, to the

ear, it sounds like Super C'lider," Clark said, whose winning entry was among more than 1,000 suggestions received by the newspaper.

Her prizes include a year's supply of Atomic Fireballs candy, a junior scientist microscope and two passes to the Science Place museum. When informed of her windfall, Clark told the newspaper, "That's very interesting."

An entrant who got special notice was David Thomas of Wax-

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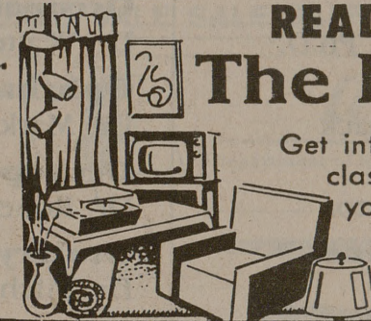
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