

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 24, 2005

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3308 by Phillips (Relating to the revenue sources for and administration of the Texas Mobility Fund.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3308, Committee Report 1st House, Substituted: a negative impact of (\$586,599,000) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$287,835,000)
2007	(\$298,764,000)
2008	(\$270,571,000)
2009	(\$281,711,000)
2010	(\$293,104,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Revenue Gain/(Loss) from TEXAS MOBILITY FUND 365
2006	(\$287,835,000)	\$290,881,000
2007	(\$298,764,000)	\$301,941,000
2008	(\$270,571,000)	\$273,885,000
2009	(\$281,711,000)	\$285,168,000
2010	(\$293,104,000)	\$296,710,000

Fiscal Analysis

The provisions of the bill would amend Chapters 2302 and 2303 of the Occupations Code to deposit to the credit of Fund 0365 the revenues collected for salvage vehicle dealers license fees and vehicle storage facilities fees and penalties. It would amend Chapter 151 of the Tax Code to deposit to the credit of Fund 0365 tax revenues from the sale, storage, or use of aircraft and aircraft related parts. It would amend Chapter 152 of the Tax Code to deposit to the credit of Fund 0365 the revenues from the gross rental receipts tax. The provisions of the bill would amend Chapter 171 of the Tax Code to deposit to the credit of Fund 0365 the revenue from the tax imposed on corporations engaged in the sale or use of aircraft, aircraft engines, or aircraft related component parts. These revenues are currently deposited to the General Revenue Fund.

The provisions of the bill would amend Chapter 201 of the Transportation Code to add to those items

that secure state obligations the revenues of the state dedicated or appropriated for deposit to Fund 0365. Under the provisions of the bill, the Comptroller's certification process with respect to the issuance of short-term bonds would have to assume that obligations would be refunded with level debt service requirements, instead of level principal requirements. In determining the principal and interest requirements on outstanding and proposed obligations, and subject to the express limitations of Subchapter M (Obligations for Certain Highway and Mobility Projects), and Section 49-k, Article III, Texas Constitution, the Comptroller would have to rely on the assumptions included in the resolution authorizing the obligations for the calculation of debt service.

The provisions of the bill would amend Chapter 501 of the Transportation Code, to deposit to the credit of Fund 0365 that portion of the revenue collected on the transfer of a motor vehicle title. It would amend Chapter 504 of the Transportation Code, to deposit to the credit of Fund 0365 that portion of the revenue collected on the sale of personalized license plates. It would amend Chapter 542 of the Transportation Code to deposit to the credit of Fund 0365 the revenues collected from municipalities with less than 5,000 population on excess speeding violations. These revenues are currently deposited to General Revenue.

Under the bill, that portion of revenues from the \$30 State Traffic Fine currently dedicated to General Revenue would be deposited to the credit of Fund 0365 beginning in fiscal 2006 and continuing through fiscal 2007. The fine is set to expire September 1, 2008.

The provisions of the bill would amend Chapter 623 of the Transportation Code to increase the base permit fee amount for a permit for excess axle or gross weight to \$200 from \$75. The additional \$125 would be deposited to the credit of Fund 0365. In addition, the bill would deposit to the credit of Fund 0365 certain permit fees for oversize and overweight vehicles currently deposited to the credit of General Revenue.

The provisions bill would amend Chapter 643 of the Transportation Code to deposit to the credit of Fund 0365 all fees and penalties collected by TxDOT for motor carrier registration. The bill would amend Chapter 645 of the Transportation Code to deposit to the credit of Fund 0365 all fees and penalties collected for single state registration. These revenues are currently deposited to General Revenue.

The provisions of the bill would repeal Transportation Code Section 542.4031(h), which dedicates collections of certain portions of the \$30 State Traffic Fine exceeding \$250 million.

The bill would apply only to the distribution of revenue collected on or after the effective date of the bill.

The bill would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. Therefore, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Section 6 takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If the bill does not receive the vote necessary for immediate effect, the bill would take effect September 1, 2005.

The remaining portions of the bill would take effect September 1, 2005.

Methodology

The Texas Department of Transportation (TxDOT) estimates that revenue from the sale of salvage vehicle dealer licenses would total approximately \$559,000 in fiscal 2006. These revenues are currently deposited to General Revenue.

TxDOT estimates that revenue from the sale of vehicle storage facilities fees, motor carrier registrations, and single state registrations would total approximately \$7,258,000 in fiscal 2006. These revenues are currently deposited to General Revenue.

Taxable aircraft sales, subject to the state limited sales and use tax, were identified and multiplied by the 6.25 percent state tax rate. Corporations meeting the requirements of the bill and currently paying the state's franchise tax were identified by SIC code. These revenues are currently deposited to General Revenue. Tax revenue from gross rental receipts was taken from the 2006-07 Biennial Revenue Estimate and extrapolated through 2010.

Approximately 5.2 million titles were issued in fiscal 2004. The \$5 portion of the fee currently deposited to General Revenue would be deposited to Fund 0365.

Approximately 95,000 personalized license plates were sold in fiscal 2004, of which General Revenue received approximately \$3.7 million.

In fiscal 2004, the revenues deposited to General Revenue from excess fines from speeding convictions in municipalities amounted to approximately \$137,000.

Revenue from the \$30 State Traffic Fine, deposited to General Revenue, is expected to be \$40 million in both fiscal years 2006 and 2007.

TxDOT has identified approximately 22,400 permits in fiscal 2004 that would be subject to the \$200 base permit fee for excess axle or gross weight. For each fee collected, \$125 would be deposited to the credit of Fund 0365. Revenues from the sale of permits issued for oversize and overweight vehicles were estimated to be \$15 million in fiscal year 2006.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 601 Department of Transportation

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