

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 23, 2007**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

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

**IN RE: SB126** by Carona (Relating to the revenue sources for and administration of the Texas mobility fund.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB126, As Introduced: a negative impact of (\$934,959,000) through the biennium ending August 31, 2009.

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
2008	(\$459,594,000)
2009	(\$475,365,000)
2010	(\$492,327,000)
2011	(\$509,506,000)
2012	(\$525,854,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/ (Loss) from <i>STATE HIGHWAY FUND 6</i>	Probable Revenue Gain/ (Loss) from <i>TEXAS MOBILITY FUND 365</i>
2008	(\$459,594,000)	(\$15,000)	\$463,293,000
2009	(\$475,365,000)	(\$15,000)	\$479,101,000
2010	(\$492,327,000)	(\$15,000)	\$496,100,000
2011	(\$509,506,000)	(\$15,000)	\$513,317,000
2012	(\$525,854,000)	(\$15,000)	\$529,703,000

**Fiscal Analysis**

The bill would amend the Occupations Code, the Tax Code, and the Transportation Code, relating to the revenue sources for and administration of the Texas Mobility Fund 0365.

The bill would amend Chapter 2302 of the Occupations Code to deposit to the credit of Fund 0365 the revenues collected for salvage vehicle dealers license fees. The bill would also amend Chapter 2303 to redirect vehicle storage facilities fees and penalties to the credit of Fund 0365. Both revenue sources are currently deposited to the credit of the General Revenue Fund 0001.

The bill 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 component parts; the repair, remodeling, and maintenance services to aircraft, aircraft engines, or aircraft component parts; and machinery, tools, supplies, and equipment used or consumed in the repair, remodeling, or maintenance of aircraft, aircraft engines, or aircraft component parts. The Comptroller would determine the amounts to be deposited to Fund 0365 and could require taxpayers who make taxable sales or uses of the items to report to the Comptroller as necessary to make the allocations required. Under current law, these revenues are deposited to Fund 0001.

The bill would amend Chapter 152 of the Tax Code to deposit to the credit of Fund 0365 the revenues from the gross rental receipts tax that are currently deposited to the credit of Fund 0001.

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 taxable entities engaged in the sale or use of aircraft, aircraft engines, or aircraft component parts, or the repair, remodeling, or maintenance of aircraft, aircraft engines, or aircraft component parts. The Comptroller would determine the amounts to be deposited to Fund 0365 and could require taxable entities engaged in the sale or use of the items to report to the Comptroller as necessary to make the allocations required. Under current law, these revenues are deposited to Fund 0001.

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 bill, the Comptroller's certification process with respect to the issuance of short-term bonds would have to assume that the 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 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 that is currently deposited to the credit of Fund 0001.

The bill 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 and currently deposited to the credit of Fund 0001.

The bill 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 and currently deposited to Fund 0001.

Under the bill, that portion of revenues from the \$30 state traffic fine currently dedicated to Fund 0001 would be deposited to the credit of Fund 0365.

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 the State Highway Fund 0006.

The 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 that are currently deposited to Fund 0001.

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 that are currently deposited to Fund 0001.

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, except for the amendment to Chapter 171, which would apply only to a report originally due on or after January 1, 2008.

The portion of the bill dealing with the authority to issue obligations, including the Comptroller's responsibilities, would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2007. The remaining portions of the bill would take effect September 1, 2007.

## **Methodology**

The Texas Department of Transportation (TxDOT) estimates that revenue from the sale of salvage vehicle dealer licenses would total approximately \$788,000 in fiscal 2008.

TxDOT estimates that revenue from the sale of vehicle storage facilities fees, motor carrier registrations, and single state registrations would total approximately \$9,000,000 in fiscal 2008.

Taxable aircraft sales, subject to the state limited sales and use tax, were identified and multiplied by the 6.25 percent state tax rate. Taxable entities meeting the requirements of the bill and currently paying the franchise tax were identified by industry code.

Tax revenue from gross rental receipts was taken from the *2008-09 Biennial Revenue Estimate* and extrapolated through 2012.

The \$5 portion of the fee from certificate of title fees was taken from the *2008-09 Biennial Revenue Estimate* and extrapolated through 2012.

Approximately 93,000 personalized license plates were sold in fiscal 2006, of which Fund 0001 received approximately \$3.6 million.

In fiscal 2006, the revenues deposited to Fund 0001 from excess fines from speeding convictions in municipalities amounted to approximately \$143,000.

Revenue from the \$30 state traffic fine, deposited to Fund 0001, is expected to total \$63.6 million in fiscal 2008.

TxDOT has identified approximately 28,000 permits in fiscal 2006 that would be subject to the new \$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 oversize overweight permits issued for the movement of cylindrical hay bales were approximately \$15,000 in fiscal 2006. This revenue, currently dedicated to Fund 0006, would be deposited to Fund 0365.

Revenues from the sale of single-trip, 30, 60, or 90-day permits; permits for certain heavy equipment, and superheavy or oversize equipment were estimated by TxDOT to be approximately \$23,000,000 annually.

Revenues from motor carrier registrations and single state registrations were approximately \$1,547,000 in fiscal 2006.

**Note:** This legislation would do one or more of the following: 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. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

## **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts, 601 Department of Transportation

**LBB Staff:** JOB, SD, CT