

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 16, 2009**

**TO:** Honorable Joseph Pickett, Chair, House Committee on Transportation

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

**IN RE: HB1047** by Deshotel (Relating to the permissible uses of the state highway fund.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1047, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	\$0
2011	\$0
2012	(\$747,605,856)
2013	(\$747,605,856)
2014	(\$747,605,856)

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

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>
2010	\$0
2011	\$0
2012	(\$747,605,856)
2013	(\$747,605,856)
2014	(\$747,605,856)

**Fiscal Analysis**

The bill would amend the Transportation Code relating to the permissible uses of the state highway fund. The bill would remove policing public roadways from the constitutionally-dedicated uses of the State Highway Fund. The bill also states the money in the State Highway Fund may only be used to improve the state highway system. The bill also repeals Transportation Code, Section 222.002, which allows the money in the State Highway Fund that is not required to be spent on public roadways by the Texas Constitution or federal law may be used for any function performed by the department.

If the constitutional amendment to limit the purposes for which revenues from motor fuel taxes, the motor lubricant sales tax, vehicle registration fees, and certain revenues received from the federal government is approved by the voters, the bill would be effective on September 1, 2011.

## **Methodology**

The Department of Public Safety's (DPS) State Highway Fund 6 appropriations (including employee benefits) total \$625,011,935 in fiscal year 2009, which is 76 percent of the agency's total appropriations. The resolution states that upon voter approval, the provisions would take effect on September 1, 2011, which would be the beginning of state fiscal year 2012. This resolution would allow DPS to use Fund 6 in fiscal years 2010 and 2011, but the agency would not be able to access these funds beginning in fiscal year 2012. This analysis assumes that General Revenue Funds would be used to fund DPS at fiscal year 2009 funding levels for fiscal years 2012 and beyond.

The bill would repeal the authority to use non-constitutionally dedicated State Highway Fund 6 (Fund 6) money for any function carried out by the Department of Transportation (TxDOT) and would specify that these non-constitutionally dedicated fees could only be used only to improve the state highway system. Therefore, it is assumed the provisions of the bill would prohibit the use of Fund 6 for certain non-highway improvement programs carried out by TxDOT, including general aviation, public transportation, vehicle titling and registration, traffic safety, and travel and tourism. This analysis assumes the total Fund 6 appropriations for these TxDOT non-highway programs for fiscal year 2009 is \$122,593,921. The portion of these appropriations budgeted for salaries and wages is estimated to be \$35,724,703. This analysis assumes that General Revenue Funds would be used to fund TxDOT at fiscal year 2009 funding levels for certain non-highway improvement programs for fiscal years 2012 and beyond.

## **Local Government Impact**

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

**Source Agencies:** 405 Department of Public Safety, 601 Department of Transportation

**LBB Staff:** JOB, LG, TG, KJG, GG