

BILL ANALYSIS

Senate Research Center
82R7250 KLA-D

S.J.R. 23
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Mobility is a problem throughout Texas. Historically, the state has paid for road projects with revenue generated from the sale of motor fuel, but this revenue is insufficient to provide for the maintenance of the current state highway system, much less fund needed transportation improvements.

The statewide motor fuels tax has not been increased since 1991, when it was raised from 15 cents to 20 cents per gallon. Currently, the motor fuels tax is worth 14 cents in 1993 dollars.

S.J.R. 23 proposes a constitutional amendment to raise the motor fuels tax rate and adjust the rate annually for inflation. The amendment also requires that the additional revenue resulting for the voter-approved tax increase be used exclusively for the purpose of designing, constructing, and maintaining public roadways.

The proposed constitutional amendment would be submitted to voters at the November 8, 2011, election and if passed, the changes made by the amendment would apply to taxes imposed on or after January 1, 2012.

As proposed, S.J.R. 23 proposes a constitutional amendment increasing the rates of taxes imposed on gasoline and diesel fuel, adjusting those rates annually for inflation, and dedicating certain revenue from those taxes to the design, construction, and maintenance of public roadways.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 7-a, Article VIII, Texas Constitution, as follows:

Sec. 7-a. (a) Provides an exception to this section under Subsection (b).

(b) Requires that the following revenue from the taxes imposed on gasoline and diesel fuel used to propel motor vehicles over public roadways be used for the sole purpose of designing, constructing, and maintaining public roadways:

(1) if the tax rate in effect is equal to or greater than the rate specified by Section 7-c(a) of this article, the net revenue derived from the portion of the rate that:

(A) exceeds the rate imposed on January 1, 2011; and

(B) does not exceed the rate that would be in effect under Section 7-c of this article if the rate were never raised or lowered as authorized by Section 7-c(b) of this article, but were modified annually in accordance with Section 7-c(c) of this article; and

(2) if the tax rate in effect is less than the rate specified by Section 7-c(a) of this article, the net revenue derived from the portion of the rate that exceeds the rate imposed on January 1, 2011.

SECTION 2. Amends Article VIII, Texas Constitution, by adding Section 7-c, as follows:

Sec. 7-c. (a) Requires the state, except as provided by Subsections (b) and (c) of this section, to impose the taxes authorized by Chapter 162 (Motor Fuel Taxes), Tax Code, or its successor, on gasoline and diesel fuel at the rate of _____ cents for each net gallon or fractional part on which the taxes are imposed.

(b) Authorizes the legislature by general law to raise or lower the rates of the taxes or to modify or repeal the taxes described by Subsection (a) of this section.

(c) Requires the comptroller of public accounts (comptroller), not later than August 1 of each year, to revise the rates of the taxes authorized by Chapter 162, Tax Code, or its successor, on gasoline and diesel fuel in effect on August 1 by applying a percentage change to the rates equal to the percentage representing the most recent annual change in the consumer price index for all urban consumers for all items and for all regions of the United States combined, as determined by the United States Department of Labor, Bureau of Labor Statistics. Requires the comptroller, if that index is discontinued or superseded, to use a similar index selected or calculated by the comptroller. Provides that a revised tax rate takes effect on the following September 1.

SECTION 3. Provides that the following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 82nd Legislature, Regular Session, 2011, increasing the rates of taxes imposed on gasoline and diesel fuel, adjusting those rates annually for inflation, and dedicating certain revenue from those taxes to the design, construction, and maintenance of public roadways.

(b) Provides that the changes to Article VIII of this constitution made by the amendment apply to taxes imposed on or after January 1, 2012.

(c) Provides that this temporary provision expires January 1, 2013.

SECTION 4. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 8, 2011. Sets forth the required language of the ballot.