

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 17, 2011**

**TO:** Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

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

**IN RE: HB3703** by Raymond (Relating to the use of certain aviation and air transportation-related tax proceeds for aviation facilities development.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3703, As Introduced: a negative impact of (\$166,000,000) through the biennium ending August 31, 2013.

Additionally, there is estimated to be a revenue loss of (\$15,600,000) to the Property Tax Relief Fund. Any loss to this fund will have to be made up with GR of the same amount.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$81,200,000)
2013	(\$84,800,000)
2014	(\$88,600,000)
2015	(\$93,200,000)
2016	(\$97,600,000)

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

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Property Tax Relief Fund</i> 304	Probable Revenue Gain from <i>Aviation Development</i>
2012	(\$81,200,000)	(\$7,700,000)	\$88,900,000
2013	(\$84,800,000)	(\$7,900,000)	\$92,700,000
2014	(\$88,600,000)	(\$8,100,000)	\$96,700,000
2015	(\$93,200,000)	(\$8,100,000)	\$101,300,000
2016	(\$97,600,000)	(\$8,200,000)	\$105,800,000

**Fiscal Analysis**

This bill would amend Chapters 151 and 171 of the Tax Code regarding the use of certain aviation and air transportation-related tax proceeds.

The bill would direct that certain taxes related to aviation be deposited to the new GR Account—Aviation Development. These taxes include the tax collected under Chapter 151 of the Tax Code by an airline as well as revenues from sales taxes imposed on an airline, the sale or use of aircraft or an aircraft part or accessory, the rental of an aircraft, and the sale of taxable items sold at airports. The bill would also direct that the revenue from the tax imposed on airlines under Chapter 171 to be deposited to the new GR Account. The bill would require the Comptroller to determine the amount to be deposited to the new account.

The bill would add new Section 21.1045 to the Transportation Code, to create new GR Account—Aviation Development. The new account would be composed of deposits made to the account, transfers to the account, and interest earned on money in the account. The bill would require that money in the account be only used to make loans and grants for aviation facilities development. The account would be exempt from Section 403.095 of the Government Code.

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. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

This bill would take effect September 1, 2011.

### **Methodology**

The data used to estimate the fiscal impact of the bill was obtained from Comptroller tax files and the U.S. Census Bureau. The loss from General Revenue Fund 0001 was combined with the loss from Property Tax Relief Fund 0304 to calculate the offsetting gain in new Aviation Development.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KK, SD