

## **BILL ANALYSIS**

Senate Research Center

S.J.R. 2  
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Finance  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Congestion is a growing problem on Texas's highway system. Additionally, the existing system is in continued need of maintenance. Without adequate resources the Texas Department of Transportation (TxDOT) will continue to face challenges in constructing and maintaining Texas's highway infrastructure. Texas is also paying millions of dollars a year in debt service for transportation related debt.

The current gas tax is inadequate and has diminishing purchase power because it does not adjust with inflation. Additionally, as automobiles become more fuel efficient, drivers will continue to travel on the highway system yet pay less in fuel taxes. The legislature should authorize the use of a predictable, constitutionally protected, transportation-related revenue stream to construct and maintain the state highway system. The revenue should not be unit based and should be able to adjust with inflation.

S.J.R. 2 proposes a constitutional amendment which will dedicate 50 percent of all oil and gas severance taxes currently transferred to the Economic Stabilization Fund to the state highway fund. S.J.R. 2 also allows the state highway fund to repay principal and interest on bonds issued under Section 49-p of the Texas Constitution.

Approval of this constitutional amendment will give TxDOT a predictable revenue stream which they can use to implement the state's long-range transportation plan.

As proposed, S.J.R. 2 proposes a constitutional amendment to provide for the transfer of certain general revenue to the state highway fund and the economic stabilization fund and to authorize the payment from the state highway fund of the principal and interest on certain highway improvement bonds.

### **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 Sections 49-g(c), (d), and (e), Article III, Texas Constitution, as follows:

(c) Requires the comptroller of public accounts of the State of Texas (comptroller), not later than the 90th day of each fiscal year, to transfer from general revenue to the economic stabilization fund and to the state highway fund the amounts prescribed by Subsections (d) and (e) of this section. Requires the comptroller, however, if necessary, to reduce proportionately the amounts transferred to the economic stabilization fund to prevent the amount in the fund from exceeding the limit in effect for that biennium under Subsection (g) (relating to prohibiting the economic stabilization fund from exceeding an amount equal to 10 percent of the total amount, excluding certain funds deposited in general revenue in the preceding biennium) of this section.

(d) Requires the comptroller, if in the preceding year the state received from oil production taxes a net amount greater than the net amount of oil production taxes

received by the state in the fiscal year ending August 31, 1987, to retain an amount equal to 25 percent of the difference between those amounts as general revenue, rather than requires the comptroller, if in the preceding year the state received from oil production taxes a net amount greater than the net amount of oil production taxes received by the state in the fiscal year ending August 31, 1987, to transfer to the economic stabilization fund an amount equal to 75 percent of the difference between those amounts. Requires the comptroller, of the remaining 75 percent of the difference between those amounts, to transfer an amount equal to one-half to the economic stabilization fund and transfer an amount equal to one-half to the state highway fund, rather than requires the comptroller to retain the remaining 25 percent of the difference as general revenue.

(e) Requires the comptroller, if in the preceding year the state received from gas production taxes a net amount greater than the net amount of gas production taxes received by the state in the fiscal year ending August 31, 1987, to retain an amount equal to 25 percent of the difference between those amounts as general revenue, rather than requires the comptroller, if in the preceding year the state received from gas production taxes a net amount greater than the net amount of gas production taxes received by the state in the fiscal year ending August 31, 1987, to transfer to the economic stabilization fund an amount equal to 75 percent of the difference between those amounts. Requires the comptroller, of the remaining 75 percent of the difference between those amounts, to transfer an amount equal to one-half to the economic stabilization fund and transfer an amount equal to one-half to the state highway fund, rather than requires the comptroller to retain the remaining 25 percent of the difference as general revenue. Makes a nonsubstantive change.

SECTION 2. Amends Section 49-p, Article III, Texas Constitution, by adding Subsection (e), to authorize money deposited to the credit of the state highway fund to be appropriated to repay the principal and interest on bonds issued under this section.

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 83rd Legislature, 1st Called Session, 2013, to provide for the transfer of certain general revenue to the state highway fund and the economic stabilization fund and to authorize the payment from the state highway fund of the principal and interest on certain highway improvement bonds.

(b) Effective date, the amendment to Section 49-g (Economic Stabilization Fund), Article III, of this constitution: January 1, 2014, and applies only to a transfer of revenue made by the comptroller as provided by Subsection (d) or (e) of that section on or after January 1, 2014.

(c) Provides that this temporary provision expires January 1, 2015.

SECTION 4. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 5, 2013. Sets forth the required language of the ballot.