

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83rd LEGISLATURE 1st CALLED SESSION - 2013

June 17, 2013

TO: Honorable Jim Pitts, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HJR9 by Phillips (Proposing 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.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR9, As Introduced: a negative impact of (\$108,921) through the biennium ending August 31, 2015.

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
2014	(\$108,921)
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Economic Stabilization Fund</i> 599	Probable Revenue Gain from <i>State Highway Fund</i> 6
2014	(\$108,921)	\$0	\$0
2015	\$0	(\$888,580,000)	\$878,646,000
2016	\$0	(\$964,439,000)	\$932,424,000
2017	\$0	(\$1,051,706,000)	\$986,200,000
2018	\$0	(\$1,229,686,000)	\$1,115,974,000

Fiscal Analysis

The proposed constitutional amendment would amend the method by which dollars are moved from General Revenue to the Economic Stabilization Fund (ESF). The proposed amendment would only address the transfer of oil and natural gas production taxes; other methods currently provided constitutionally to place funds into the ESF, which include one-half of the unencumbered GR balance and legislative appropriation, would not be affected.

The proposed amendment would utilize the same (1987) thresholds for oil and natural gas production taxes as currently in the constitution, as well as maintaining the same 25% of any amounts over such thresholds as remaining in GR. The result, therefore, of the amendment would be to reduce the amount of oil and natural gas transfers to the ESF under this constitutional section and make transfers to the state highway fund in the like amount. Specifically, 50% of the amount over the threshold and not to be retained in GR would be transferred to the ESF; the other 50% to the state highway fund.

The amendment would take effect January 1, 2014 and apply to transfers on or after that date. As such, the first transfer affected by this proposed amendment would be the fall 2014 (fiscal 2015) transfer, occurring after the close of fiscal 2014.

Methodology

The amounts transferred to the State Highway Fund under the provisions of SJR 2 are based upon oil and natural gas tax collections forecast in the Comptroller of Public Account's 2014-15 Biennial Revenue Estimate.

Revenue loss estimates from the Economic Stabilization Fund include both the loss of the amount that would be transferred to the State Highway Fund and a corresponding loss of interest earnings on that amount. Although the resolution does not specify what the money transferred to the State Highway Fund would be used for, it is assumed that the revenue would be used for constructing and maintaining public roadways and/or debt service on outstanding bonds. Thus there would not be a corresponding gain of interest revenue to the State Highway Fund.

The cost to the state for publication of the resolution is \$108,921.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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