

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

**FISCAL NOTE, 83rd LEGISLATURE 2nd CALLED SESSION - 2013**

**July 11, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB16** by Pickett (relating to the allocation of certain fuel-related tax revenue and certain motor vehicle sales, use, and rental tax revenue to the state highway fund and to the uses of that revenue.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB16, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2015.

**However, the bill would have a negative fiscal impact to the General Revenue Fund beginning in fiscal year 2016.**

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

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$0
2015	\$0
2016	(\$457,763,000)
2017	(\$515,416,000)
2018	(\$574,304,000)

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

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> <b>1</b>	Probable Revenue Gain from <i>State Highway Fund</i> <b>6</b>
2014	\$0	\$0
2015	\$0	\$0
2016	(\$457,763,000)	\$457,763,000
2017	(\$515,416,000)	\$515,416,000
2018	(\$574,304,000)	\$574,304,000

**Fiscal Analysis**

The bill would amend Chapter 152 of the Tax Code relating to the allocation of revenue from the taxes imposed on the sale, rental, or other use of motor vehicles. The bill would amend Chapter 43

of the Education Code and Chapter 162 of the Tax Code, regarding the composition of the Available School Fund and the allocation of motor fuel taxes.

Beginning in fiscal year 2016, the bill would deposit one third of the revenue received from the motor vehicle sales tax, the motor vehicle rental tax, and the other taxes imposed under Chapter 152 of the Tax Code in excess of \$2.8 billion, after making the required allocation to the Property Tax Relief Fund, to the credit of the State Highway Fund. Under current law net revenue collections from these taxes are deposited to the General Revenue Fund.

Money deposited to the State Highway Fund in accordance with provisions of the bill may only be appropriated for (1) a purpose authorized under the Texas Constitution, Article VIII, Section 7-a, (2) to repay the principal and interest on GO bonds issued under the Texas Constitution, Article III, Section 49-p, or (3) to pay for a function performed by or under the supervision of TXDOT.

The bill makes necessary conforming statutory changes for the companion resolution, HJR 2, 83rd Legislature, 2nd Called Session. The fiscal impact of the allocation change is shown in the fiscal note for HJR 2.

The section of the bill regarding the allocation of motor fuels taxes would take effect January 1, 2014 if the constitutional amendment proposed by HJR 2 takes effect. Otherwise that section of the bill would not take effect.

The section of the bill regarding motor vehicle sales taxes would take effect on the 91st day after the last day of the current legislative session.

### **Methodology**

The annual collections from the taxes imposed by Chapter 152 of the Tax Code that would be deposited to the General Revenue Fund were obtained from the amount forecasted in the 2014-15 Biennial Revenue Estimate and then reduced by amounts transferred to the Property Tax Relief Fund. The amount that would be deposited to the State Highway Fund (instead of GR) beginning in fiscal year 2016 was then calculated based on one third of the difference between these amounts and \$2.8 billion.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** UP, KK, SD