

LEGISLATIVE BUDGET BOARD
Austin, Texas

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

July 8, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HJR7 by Harper-Brown (Proposing a constitutional amendment providing for the transfer of certain state revenue to the Texas Mobility Fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HJR7, As Introduced: a negative impact of (\$108,921) through the biennium ending August 31, 2015.

However, there would be a positive fiscal impact to General Revenue 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	(\$108,921)
2015	\$0
2016	\$21,616,000
2017	\$57,467,000
2018	\$143,983,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from Economic Stabilization Fund 599	Probable Revenue Gain from Texas Mobility Fund 365	Probable Revenue Gain from General Revenue Fund 1	Probable (Cost) from General Revenue Fund 1
2014	\$0	\$0	\$0	(\$108,921)
2015	(\$592,387,000)	\$585,764,000	\$0	\$0
2016	(\$642,960,000)	\$600,000,000	\$21,616,000	\$0
2017	(\$701,137,000)	\$600,000,000	\$57,467,000	\$0
2018	(\$819,790,000)	\$600,000,000	\$143,983,000	\$0

Fiscal Analysis

The proposed resolution would amend the Texas Constitution, Article III, Section 49-g, regarding

the annual transfer from the General Revenue Fund (GR) to the Economic Stabilization Fund (ESF).

Under current law, at the end of each fiscal year the Comptroller transfers from GR to the ESF, an amount equal to 75 percent of the amount by which both oil and natural gas tax collections exceeded their 1987 collection levels. The proposed resolution would reduce that amount to 50 percent.

In addition the Comptroller would transfer from GR to the Texas Mobility Fund an amount equal to 25 percent of the amount by which both oil and natural gas tax collections exceeded their 1987 collection levels. However the transfer could not exceed \$600 million in one fiscal year. In fiscal years when the calculated amount of the transfer exceeds \$600 million, an amount equal to 25 percent of the amount by which both oil and natural gas tax collections exceeded their 1987 collection levels less \$600 million would remain in GR.

If approved by the voters, the amendment would take effect January 1, 2014. As such, the first transfer affected by the amendment would be the fall 2014 (fiscal year 2015) transfer.

Methodology

The amounts transferred to the Texas Mobility Fund under the provisions of HJR 7 are based upon oil and natural gas tax collections forecast in the Comptroller of Public Account's 2014-15 Biennial Revenue Estimate. In fiscal year 2016-18, 25 percent of the difference between oil and natural gas collection levels and their 1987 collections is expected to exceed \$600 million, therefore some General Revenue that under current law would be transferred to the ESF, would instead remain in General Revenue.

Revenue loss estimates from the ESF include both the loss of the amount that would be transferred to the Texas Mobility Fund and a corresponding loss of interest earnings on that amount. Although the resolution does not specify what the money transferred to the Texas Mobility Fund would be used for, it is assumed that the revenue would be used to finance transportation projects eligible for funding from the Texas Mobility Fund or to pay debt service on obligations secured by and payable from money in the fund. Thus there would not be a corresponding gain of interest revenue to the Texas Mobility 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:

LBB Staff: UP, KK, SD