

# SENATE AMENDMENTS

**2<sup>nd</sup> Printing**

By: Pickett, Phillips, Harper-Brown, Darby,  
et al.

H.J.R. No. 2

## A JOINT RESOLUTION

1 proposing a constitutional amendment to provide for revenue from  
2 motor fuel taxes to be used solely for constructing, maintaining,  
3 and acquiring rights-of-way for certain public roadways and to  
4 provide for the transfer of certain general revenue to the economic  
5 stabilization fund and the available school fund.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Sections 49-g(c), (d), (e), and (h), Article  
8 III, Texas Constitution, are amended to read as follows:

9 (c) Not later than the 90th day of each fiscal year, the  
10 comptroller of public accounts shall transfer from general revenue  
11 to the economic stabilization fund an amount equal to the amount by  
12 which the sum of the amounts allocated under ~~[prescribed by]~~  
13 Subsections (d) and (e) of this section for transfer under this  
14 subsection exceeds the amount to be transferred to the available  
15 school fund in that fiscal year in accordance with Section 5(h),  
16 Article VII, of this constitution. However, if necessary, the  
17 comptroller shall reduce proportionately the amounts to be  
18 transferred to the economic stabilization fund to prevent the  
19 amount in the fund from exceeding the limit in effect for that  
20 biennium under Subsection (g) of this section.

21 (d) If in the preceding year the state received from oil  
22 production taxes a net amount greater than the net amount of oil  
23 production taxes received by the state in the fiscal year ending  
24 August 31, 1987, the comptroller shall allocate for transfer to the

1 economic stabilization fund under Subsection (c) of this section an  
 2 amount of general revenue equal to 75 percent of the difference  
 3 between those amounts. ~~[The comptroller shall retain the remaining~~  
 4 ~~25 percent of the difference as general revenue.]~~ In computing the  
 5 net amount of oil production taxes received, the comptroller may  
 6 not consider refunds paid as a result of oil overcharge litigation.

7 (e) If in the preceding year the state received from gas  
 8 production taxes a net amount greater than the net amount of gas  
 9 production taxes received by the state in the fiscal year ending  
 10 August 31, 1987, the comptroller shall allocate for transfer to the  
 11 economic stabilization fund under Subsection (c) of this section an  
 12 amount of general revenue equal to 75 percent of the difference  
 13 between those amounts. ~~[The comptroller shall retain the remaining~~  
 14 ~~25 percent of the difference as general revenue.]~~ For the purposes  
 15 of this subsection, the comptroller shall adjust the ~~[his]~~  
 16 computation of revenues to reflect only 12 months of collection.

17 (h) In preparing an estimate of anticipated revenues for a  
 18 succeeding biennium as required by Article III, Section 49a, of  
 19 this constitution, the comptroller shall estimate the amount of the  
 20 transfers that will be made under Subsections (b) and (c) ~~[, (d), and~~  
 21 ~~(e)]~~ of this section. The comptroller shall deduct that amount from  
 22 the estimate of anticipated revenues as if the transfers were made  
 23 on August 31 of that fiscal year.

24 SECTION 2. Section 5, Article VII, Texas Constitution, is  
 25 amended by adding Subsections (h) and (i) to read as follows:

26 (h) Not later than the 90th day of each fiscal year, the  
 27 comptroller of public accounts shall transfer from general revenue

1 to the available school fund an amount equal to 25 percent of the  
2 net revenue remaining after payment of all refunds allowed by law  
3 and expenses of collection that is derived in the preceding fiscal  
4 year from all taxes, except gross production and ad valorem taxes,  
5 imposed on motor fuels used to propel motor vehicles over public  
6 roadways at the lesser of:

7           (1) the tax rates in effect at the time the taxes are  
8 imposed; or

9           (2) the tax rates in effect on July 1, 2013, if the  
10 taxes were imposed at those rates.

11           (i) In preparing an estimate of anticipated revenues for a  
12 succeeding biennium as required by Section 49a, Article III, of  
13 this constitution, the comptroller shall estimate the amount of the  
14 transfers that will be made under Subsection (h) of this section.  
15 The comptroller shall deduct that amount from the estimate of  
16 anticipated revenues as if the transfers were made on August 31 of  
17 that fiscal year.

18           SECTION 3. Section 7-a, Article VIII, Texas Constitution,  
19 is amended to read as follows:

20           Sec. 7-a. Subject to legislative appropriation, allocation  
21 and direction, all net revenues remaining after payment of all  
22 refunds allowed by law and expenses of collection derived from  
23 motor vehicle registration fees, and all taxes, except gross  
24 production and ad valorem taxes, on motor fuels and lubricants used  
25 to propel motor vehicles over public roadways, shall be used for the  
26 sole purpose of acquiring rights-of-way, constructing,  
27 maintaining, and policing such public roadways, and for the

1 administration of such laws as may be prescribed by the Legislature  
2 pertaining to the supervision of traffic and safety on such roads;  
3 ~~[and for the payment of the principal and interest on county and~~  
4 ~~road district bonds or warrants voted or issued prior to January 2,~~  
5 ~~1939, and declared eligible prior to January 2, 1945, for payment~~  
6 ~~out of the County and Road District Highway Fund under existing~~  
7 ~~law,]~~ provided, however, that one-fourth (1/4) of such net revenue  
8 from the motor fuel tax shall be used for the sole purpose of  
9 acquiring rights-of-way, constructing, and maintaining such public  
10 roadways, other than toll roads ~~[shall be allocated to the~~  
11 ~~Available School Fund]~~; and, provided, however, that the net  
12 revenue derived by counties from motor vehicle registration fees  
13 shall never be less than the maximum amounts allowed to be retained  
14 by each County and the percentage allowed to be retained by each  
15 County under the laws in effect on January 1, 1945. Nothing  
16 contained herein shall be construed as authorizing the pledging of  
17 the State's credit for any purpose.

18 SECTION 4. The following temporary provision is added to  
19 the Texas Constitution:

20 TEMPORARY PROVISION. (a) This temporary provision applies  
21 to the constitutional amendment proposed by the 83rd Legislature,  
22 2nd Called Session, 2013, to provide for revenue from motor fuel  
23 taxes to be used solely for constructing, maintaining, and  
24 acquiring rights-of-way for certain public roadways and to provide  
25 for the transfer of certain general revenue to the economic  
26 stabilization fund and the available school fund.

27 (b) The amendments to Section 49-g, Article III, and Section

5, Article VII, of this constitution take effect immediately on the final canvass of the election on the amendments. If, between September 1, 2013, and the effective date of the amendments to Section 49-g, Article III, and Section 5, Article VII, of this constitution, the comptroller of public accounts has transferred from general revenue to the economic stabilization fund amounts in accordance with Sections 49-g(c), (d), and (e), Article III, as those subsections provided at the time of the transfer, as soon as practicable after the effective date of the amendments, the comptroller shall return the transferred amounts from the economic stabilization fund to general revenue and transfer from general revenue to the available school fund and the economic stabilization fund amounts in accordance with the amended provisions, irrespective of whether the transfers for that fiscal year occur before, on, or after the 90th day of the fiscal year beginning September 1, 2013.

(c) The amendment to Section 7-a, Article VIII, of this constitution takes effect January 1, 2014, and applies only to the collection and allocation of tax revenue derived from tax liability accruing on and after that date.

(d) This temporary provision expires January 1, 2015.

SECTION 5. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 5, 2013. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment to provide for revenue from motor fuel taxes to be used solely for constructing, maintaining, and acquiring rights-of-way for certain public

H.J.R. No. 2

1 roadways and to provide for the transfer of certain general revenue  
2 to the economic stabilization fund and the available school fund."

ADOPTED

JUL 19 2013

*Angie Brown*  
Secretary of the Senate

21.0

FLOOR AMENDMENT NO. 1

BY: *Robert Lee Nichols*

1 Amend ~~H.~~J.R. 2 by striking all below the resolving clause and  
2 substituting the following:

3 SECTION 1. Section 49-g, Article III, Texas Constitution,  
4 is amended by amending Subsections (c), (d), and (e) and adding  
5 Subsections (c-1) and (c-2) to read as follows:

6 (c) Not later than the 90th day of each fiscal year, the  
7 comptroller of public accounts shall transfer from the general  
8 revenue fund to the economic stabilization fund and the state  
9 highway fund the sum of the amounts described [~~prescribed~~] by  
10 Subsections (d) and (e) of this section, to be allocated as provided  
11 by Subsections (c-1) and (c-2) of this section. However, if  
12 necessary and notwithstanding the allocations prescribed by  
13 Subsections (c-1) and (c-2) of this section, the comptroller shall  
14 reduce proportionately the amounts described by Subsections (d) and  
15 (e) of this section to be transferred and allocated to the economic  
16 stabilization fund to prevent the amount in that [~~the~~] fund from  
17 exceeding the limit in effect for that biennium under Subsection  
18 (g) of this section. Revenue transferred to the state highway fund  
19 under this subsection may be used only for constructing,  
20 maintaining, and acquiring rights-of-way for public roadways other  
21 than toll roads.

22 (c-1) Of the sum of the amounts described by Subsections (d)  
23 and (e) of this section and required to be transferred from the  
24 general revenue fund under Subsection (c) of this section, the  
25 comptroller shall allocate one-half to the economic stabilization  
26 fund and the remainder to the state highway fund, except as provided  
27 by Subsection (c-2) of this section.

28 (c-2) If the anticipated balance of the economic  
29 stabilization fund after any transfer that may be made under

1 Subsection (b) of this section and any transfer and allocation of  
2 money that may be made as provided by Subsections (c) and (c-1) of  
3 this section would be less than \$6 billion, the comptroller shall  
4 reduce the amount that would otherwise be allocated to the state  
5 highway fund as provided by Subsection (c-1) of this section by the  
6 lesser of the total amount of the allocation to that fund or the  
7 amount necessary for the anticipated balance of the economic  
8 stabilization fund, after any transfer that may be made under  
9 Subsection (b) of this section and the transfer and allocation to be  
10 made as provided by Subsections (c) and (c-1) of this section, to  
11 equal \$6 billion. The comptroller shall allocate to the economic  
12 stabilization fund the amount by which the allocation to the state  
13 highway fund is reduced under this subsection.

14 (d) If in the preceding year the state received from oil  
15 production taxes a net amount greater than the net amount of oil  
16 production taxes received by the state in the fiscal year ending  
17 August 31, 1987, the comptroller shall transfer under Subsection  
18 (c) of this section and allocate in accordance with Subsections  
19 (c-1) and (c-2) of this section [~~to the economic stabilization~~  
20 ~~fund~~] an amount equal to 75 percent of the difference between those  
21 amounts. The comptroller shall retain the remaining 25 percent of  
22 the difference as general revenue. In computing the net amount of  
23 oil production taxes received, the comptroller may not consider  
24 refunds paid as a result of oil overcharge litigation.

25 (e) If in the preceding year the state received from gas  
26 production taxes a net amount greater than the net amount of gas  
27 production taxes received by the state in the fiscal year ending  
28 August 31, 1987, the comptroller shall transfer under Subsection  
29 (c) of this section and allocate in accordance with Subsections  
30 (c-1) and (c-2) of this section [~~to the economic stabilization~~  
31 ~~fund~~] an amount equal to 75 percent of the difference between those



1 amounts. The comptroller shall retain the remaining 25 percent of  
2 the difference as general revenue. For the purposes of this  
3 subsection, the comptroller shall adjust the ~~[his]~~ computation of  
4 revenues to reflect only 12 months of collection.

5 SECTION 2. Section 49-p, Article III, Texas Constitution,  
6 is amended by adding Subsection (e) to read as follows:

7 (e) Revenue transferred to the state highway fund under  
8 Section 49-g(c) of this article may be appropriated to pay the  
9 principal of and interest on bonds issued under this section.

10 SECTION 3. The following temporary provision is added to  
11 the Texas Constitution:

12 TEMPORARY PROVISION. (a) This temporary provision applies  
13 to the constitutional amendment proposed by the 83rd Legislature,  
14 2nd Called Session, 2013, to provide for the transfer of certain  
15 general revenue to the economic stabilization fund, to provide for  
16 the transfer of certain general revenue to the state highway fund  
17 and the dedication of that revenue, and to authorize the payment of  
18 the principal and interest on certain highway improvement bonds  
19 from certain general revenue transferred to the state highway fund.

20 (b) The amendment to Section 49-g, Article III, of this  
21 constitution takes effect January 1, 2014, and applies only to a  
22 transfer of revenue made by the comptroller of public accounts as  
23 provided by Subsection (c) of that section on or after January 1,  
24 2014.

25 (c) This temporary provision expires January 1, 2015.

26 SECTION 4. This proposed constitutional amendment shall be  
27 submitted to the voters at an election to be held November 5, 2013.  
28 The ballot shall be printed to permit voting for or against the  
29 proposition: "The constitutional amendment providing for the use  
30 and dedication of certain money deposited or transferred to the  
31 state highway fund to assist in the completion of transportation

1 construction, maintenance, and rehabilitation projects other than  
2 toll roads."

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

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

**July 24, 2013**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

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

**IN RE: HJR2** by Pickett (Proposing a constitutional amendment to provide for revenue from motor fuel taxes to be used solely for constructing, maintaining, and acquiring rights-of-way for certain public roadways and to provide for the transfer of certain general revenue to the economic stabilization fund and the available school fund.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HJR2, As Passed 2nd House: 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
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 (GR) to the Economic Stabilization Fund (ESF). The proposed amendment would only address the transfers based on 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.

Currently, at the end of each fiscal year, the Comptroller calculates the amount by which both oil and natural gas tax collections exceed the 1987 collection levels (\$532 million and \$600 million, respectively) and then transfers an amount of GR equal to 75% of this excess to the ESF. The proposed constitutional amendment would require the Comptroller to transfer half of the 75 percent over the 1987 threshold collection levels to the ESF and the other half to the State Highway Fund.

If the anticipated balance of the ESF, after the required transfers, is less than \$6 billion, the Comptroller would be required to reduce the amount of the transfer to the State Highway Fund by the lesser of 1) the total transfer to the State Highway Fund or 2) the amount necessary for the anticipated balance of the ESF, after the required transfers, to equal \$6 billion.

Revenue transferred to the State Highway Fund as a result of this constitutional amendment may only be used for constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads and to pay the principal and interest on bonds issued pursuant to the Texas Constitution, Article III, Section 49-p.

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 the resolution 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 or to pay the principal and interest on bonds issued pursuant to the Texas Constitution, Article III, Section 49-p. 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

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

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: **HJR2** by Pickett (proposing a constitutional amendment to provide for certain revenue from motor fuel taxes to be used solely for constructing, maintaining, and acquiring rights-of-way for certain public roadways and to provide for the transfer of certain general revenue to the economic stabilization fund and the available school fund.),  
**Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HJR2, Committee Report 1st House, Substituted: a positive impact of \$306,157,079 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	\$320,040,079
2015	(\$13,883,000)
2016	(\$14,447,000)
2017	(\$8,327,000)
2018	(\$16,314,000)

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	Probable Revenue Gain from <i>Available School Fund</i> 2
2014	(\$108,921)	(\$794,552,000)	\$469,652,000	\$789,801,000
2015	\$0	(\$826,222,000)	\$819,001,000	\$805,118,000
2016	\$0	(\$864,083,000)	\$833,448,000	\$819,001,000
2017	\$0	(\$912,044,000)	\$841,775,000	\$833,448,000
2018	\$0	(\$964,225,000)	\$858,089,000	\$841,775,000

<b>Fiscal Year</b>	<b>Probable Revenue (Loss) from <i>Available School Fund</i> 2</b>
2014	(\$469,652,000)
2015	(\$819,001,000)
2016	(\$833,448,000)
2017	(\$841,775,000)
2018	(\$858,089,000)

**Fiscal Analysis**

The proposed constitutional amendment would amend the method by which dollars are transferred from General Revenue (GR) to the Economic Stabilization Fund (ESF). The proposed constitutional amendment would also change the dedication and allocation of motor fuel taxes.

Under current law one-fourth of the net revenue (after payment of all refunds allowed by law and expenses of collection) from motor fuel taxes is allocated to the Available School Fund (ASF) and the remaining three-fourths of the net revenue is constitutionally dedicated for the purpose of acquiring right of way, constructing, maintaining, and policing public roadways. The proposed resolution would dedicate all of the net revenue from motor fuel taxes for constructing, maintaining, and acquiring rights of way for public roadways other than toll roads.

Under current law, at the end of each fiscal year, the Comptroller calculates the amount by which both oil and natural gas tax collections exceed the 1987 collection levels (\$532 million and \$600 million, respectively) and then transfers an amount of GR equal to 75% of this excess to the ESF. The proposed constitutional amendment would divide this transfer between the ESF and Available School Fund.

The amended transfer to the ASF would equal the amount the fund would have received in the prior fiscal year from the current law motor fuels tax allocation, and the amended transfer to the ESF would equal the current law ESF transfer less the amount transferred to the ASF.

In any year when the current law ESF transfer is less than the current law allocation of motor fuels taxes to the ASF, the ESF would receive no transfer and the entire current law ESF transfer would be allocated to the ASF.

If approved by voters the proposed amendment regarding the transfer to the ESF and the ASF would take immediately after the November 2013 election. As such, the first transfer affected by this proposed amendment would be the fall 2013 (fiscal year 2014) transfer.

The proposed amendment regarding motor fuel taxes would take effect January 1, 2014.

**Methodology**

The amounts transferred to the Available School Fund and the State Highway Fund are based upon motor fuel, oil production, and natural gas production tax collections forecast in the Comptroller of Public Account's 2014-15 Biennial Revenue Estimate.

The allocation change of motor fuel tax revenue from the Available School Fund to the State

Highway Fund would begin in the 5th month of fiscal year 2014, so the ASF would lose 7/12 of the current law ASF allocation in fiscal year 2014. However, the 2014 transfer to the ASF from General Revenue would be based on the entire amount of motor fuels tax revenue the fund received in fiscal year 2013; therefore the ASF would receive a \$320 million gain in the first year of the proposed allocation.

The net annual revenue loss to the ASF that begins in FY 2015 is entirely due to the one year lag between the basis for the General Revenue transfer into the ASF (based on prior year motor fuel tax) and the current-year transfer of motor fuel tax into Fund 6 which under current law would have been deposited to the ASF.

Revenue loss estimates from the Economic Stabilization Fund include both the loss of the amount that would be transferred to the Available School Fund and a corresponding loss of interest earnings on that amount. It is assumed that the revenue transferred to the Available School Fund would be used in the same fiscal year the transfer is made, thus there would not be a corresponding gain of interest revenue to the Available School Fund.

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

#### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

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

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



**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: HJR2** by Pickett (Proposing a constitutional amendment to provide for revenue from motor fuel taxes to be used solely for constructing, maintaining, and acquiring rights-of-way for certain public roadways and to provide for the transfer of certain general revenue to the available school fund and the economic stabilization fund.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HJR2, As Introduced: a negative impact of (\$543,181,921) through the biennium ending August 31, 2015.

**However, the bill would have a positive impact to General Revenue Related Funds beginning in fiscal year 2016.**

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2014	(\$518,256,921)
2015	(\$24,925,000)
2016	\$12,915,000
2017	\$57,504,000
2018	\$169,280,000

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	Probable Revenue Gain from <i>Available School Fund</i> 2
2014	(\$108,921)	\$0	\$518,148,000	\$0
2015	\$0	(\$888,580,000)	\$903,571,000	\$878,646,000
2016	\$0	(\$964,439,000)	\$919,509,000	\$932,424,000
2017	\$0	(\$1,051,706,000)	\$928,696,000	\$986,200,000
2018	\$0	(\$1,229,686,000)	\$946,694,000	\$1,115,974,000

Fiscal Year	Probable Revenue (Loss) from <i>Available School Fund</i> 2
2014	(\$518,148,000)
2015	(\$903,571,000)
2016	(\$919,509,000)
2017	(\$928,696,000)
2018	(\$946,694,000)

Fiscal Analysis

The proposed constitutional amendment would amend the method by which dollars are transferred from General Revenue (GR) to the Economic Stabilization Fund (ESF). The proposed constitutional amendment would also change the dedication and allocation of motor fuel taxes.

Currently, at the end of each fiscal year, the Comptroller calculates the amount by which both oil and natural gas tax collections exceed the 1987 collection levels (\$532 million and \$600 million, respectively) and then transfers an amount of GR equal to 75% of this excess to the ESF. The proposed constitutional amendment would require the Comptroller to transfer half of the 75 percent over the 1987 threshold collection levels to the ESF and the other half to the Available School Fund.

Currently one-fourth of the net revenue (after payment of all refunds allowed by law and expenses of collection) from motor fuel taxes is allocated to the Available School Fund and the remaining three-fourths of the net revenue is constitutionally dedicated for the purpose of acquiring right of way, constructing, maintaining, and policing public roadways. The proposed resolution would dedicate all of the net revenue from motor fuel taxes for constructing, maintaining, and acquiring rights of way for public roadways other than toll roads.

The proposed amendment regarding the ESF transfer 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 year 2015) transfer, occurring after the close of fiscal year 2014.

The proposed amendment regarding motor fuel taxes would take effect January 1, 2014.

Methodology

The amounts transferred to the Available School Fund and the State Highway Fund are based upon motor fuel, oil production, and natural gas production tax collections forecast in the Comptroller of Public Account's 2014-15 Biennial Revenue Estimate.

The allocation change of motor fuel tax revenue from the Available School Fund to the State Highway Fund would begin in the 5th month of fiscal year 2014, however there would be no transfer to the ASF in 2014 of revenue currently allocated to the ESF to offset the loss of motor fuel tax revenue.

After fiscal year 2014 (when the modified ESF/ASF transfer and the modified motor fuel tax allocation are both in effect) there would be a loss of revenue available for certification in years when one-half of the current law ESF transfer is less than one-fourth of net motor fuel tax collections (fiscal year 2015). Conversely there would be a gain of revenue available for certification in years when one-half of the current law ESF transfer is greater than one-fourth of net motor fuel tax collections (fiscal years 2016-18).

Revenue loss estimates from the Economic Stabilization Fund include both the loss of the amount that would be transferred to the Available School Fund and a corresponding loss of interest earnings on that amount. It is assumed that the revenue transferred to the Available School Fund would be used in the same fiscal year the transfer is made, thus there would not be a corresponding gain of interest revenue to the Available School 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

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