

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83rd LEGISLATURE 3rd CALLED SESSION - 2013

August 5, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1 by Pickett (Relating to transportation funding, expenditures, and finance and the preservation of a sufficient balance in the economic stabilization fund; making an appropriation.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill includes provisions with respect to the Texas Department of Transportation, establishes a process to preserve a balance in the Economic Stabilization Fund, and creates two committees to evaluate various aspects of transportation funding.

The bill requires the Texas Department of Transportation (TxDOT) to identify \$100 million in savings within the agency from areas that do not affect the amount of funding available for transportation projects. The savings shall then be used to make payments on the principal and interest on bonds and other public securities. While the bill provides for making an appropriation, there would not be a funding increase to TxDOT associated with this provision.

The bill establishes a process to preserve a sufficient balance in the Economic Stabilization Fund. The bill directs the Speaker of the House of Representatives and the Lieutenant Governor to, by September 1 of each even numbered year, appoint a select committee comprised of members of the House of Representatives and Senate. No later than December 1 of each even numbered year, the select committee shall determine and adopt a "sufficient balance of the fund in an amount that the committee estimates will ensure an appropriate amount of revenue available in the fund." If the committee does not do so, then the allocation of General Revenue to the State Highway Fund as provided for in HJR 1 would cease. Should the actual balance (determined as the prior year's ending balance plus anticipated deposits) not be maintained, the allocation of GR to the State Highway Fund provided for in HJR 1 would shift to the Economic Stabilization Fund until the balance is restored.

The adopted amount shall be submitted to the House and Senate in the succeeding regular legislative session. The adopted amount could be amended during the legislative process to provide for a different amount; however the different amount must be approved by a majority in each chamber. If a different amount is not adopted by a majority in both chambers the sufficient balance proposed by the select committee is adopted.

The allocation of GR to the State Highway Fund, provided for in HJR 1, would sunset after the FY 2025 transfer. Beginning in FY 2026 the current law transfer of GR to the ESF would be reinstated.

The bill creates the House Select Committee on Transportation Funding, Expenditures, and Finance and creates the Senate Select Committee on Transportation Funding, Expenditures, and Finance. The committees are directed to jointly adopt recommendations with respect to various aspects of transportation financing and budgeting, the use of the State Highway Fund, and the purpose and composition of the Economic Stabilization Fund. The report is due no later than November 1, 2014.

The bill would allow money from the Texas Mobility Fund to provide funding for a port security project, a port transportation project, or a project described under the Transportation Code, Section 55.002 (c).

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, AG