

LEGISLATIVE BUDGET BOARD
Austin, Texas

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

July 31, 2013

TO: Honorable Larry Phillips, Chair, House Committee on Transportation Funding, Select

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3** by Harper-Brown (Relating to the provision and use of revenue for transportation; making an appropriation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3, As Introduced: 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	(\$191,096,333)
2017	(\$248,749,333)
2018	(\$307,637,333)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain from State Highway Fund 6
2014	\$0	\$0
2015	\$0	\$0
2016	(\$191,096,333)	\$191,096,333
2017	(\$248,749,333)	\$248,749,333
2018	(\$307,637,333)	\$307,637,333

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.

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 \$3.6 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 from the motor vehicle sales tax under the provisions of the bill may only be appropriated for (1) a purpose authorized under the Texas Constitution, Article VIII, Section 7-a, or (2) to pay for a function performed by or under the supervision of TXDOT, excluding toll roads.

The bill would require the Comptroller to deposit to the credit of the State Highway Fund an amount equal to the amount by which the revenue derived from state taxes and fees deposited to the general revenue fund in fiscal years 2014 and 2015 exceeds the estimate of revenue contained in the BRE. The amount of the deposit may not exceed \$2 billion. The amount by which actual revenue deposited to the general fund may exceed the amount estimated in the BRE cannot be determined so the fiscal impact of this section cannot be determined, but the fiscal impact could be potentially significant.

The bill also establishes a committee comprised of members of the House and Senate to evaluate and make recommendations regarding the composition and disposition of the Economic Stabilization Fund; the committee shall report on their findings no later than November 1, 2014.

The bill 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 have been 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 \$3.6 billion.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, AG, SD, SJS, KK