

BILL ANALYSIS

Senate Research Center
83R3777 CJC-D

S.J.R. 20
By: Nichols
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Congestion is a growing problem on Texas's highway system. The existing system is also in continued need of maintenance. Without adequate resources the Texas Department of Transportation (TxDOT) will continue to face challenges in constructing and maintaining Texas's highway infrastructure. Texas is also paying millions of dollars a year in debt service for transportation related debt.

The current gas tax is inadequate and has diminishing purchase power because it cannot adjust with inflation. Additionally, as automobiles become more fuel efficient, drivers will continue to travel on the highway system yet pay less in fuel taxes. The legislature should authorize the use of a predictable, constitutionally protected, transportation related revenue stream to construct and maintain the state highway system. The revenue should not be unit-based and should be able to adjust itself with inflation.

S.J.R. 20 proposes a constitutional amendment which dedicates the existing sales tax on new and used automobiles to the state highway fund. Use of the sales tax will be limited to the functions of the state highway fund and to pay off general revenue transportation related debt. Approval of this constitutional amendment will give TxDOT a predictable revenue stream which can be used to implement long range transportation plans.

S.J.R. 20 proposes a constitutional amendment dedicating certain revenue derived from the tax imposed on the sale of motor vehicles to the state highway fund.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article VIII, Texas Constitution, by adding Section 7-e, as follows:

Sec. 7-e. (a) Requires that the net revenue from the tax authorized by Chapter 152 (Taxes on Sale, Rental, and Use of Motor Vehicles), Tax Code, or its successor, except as provided by Subsection (b) of this section, and imposed on the sale of a motor vehicle sold in this state be deposited to the credit of the state highway fund and authorizes that it be appropriated only:

(1) for a purpose authorized by Section 7-a (Revenues from Motor Vehicle Registration Fees and Taxes on Motor Fuels and Lubricants; Purposes for which Used), Article VIII (Taxation and Revenue), of this Constitution; or

(2) to repay the principal and interest on general obligation bonds issued as authorized by Section 49-p (Texas Transportation Commission; Texas Highway Improvement Funds), Article III (Legislative Department), of this constitution.

(b) Provides that Subsection (a) of this section does not apply to any revenue described by that subsection that, under general law in effect on January 1, 2013, was required to be deposited to the credit of a fund outside the general revenue fund from which money could be appropriated only for a purpose that decreases the rates of, or reduces reliance on, ad valorem taxes imposed to fund public schools. Provides that to the extent general law continues to require the deposit of that revenue in that manner and limit the appropriation of that revenue to that purpose, the requirement and limitation prevail over Subsection (a) of this section.

SECTION 2. Adds the following temporary provision to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, dedicating certain revenue derived from the tax imposed on the sale of a motor vehicle sold in this state to the state highway fund.

(b) Effective date, the amendment to Article VIII, Texas Constitution: September 1, 2024.

(c) Prohibits the legislature, beginning with the state fiscal year beginning on September 1, 2024, from appropriating any revenue to which Section 7-e(a), Article VIII, of this constitution applies for any purpose other than a purpose described by Section 7-e(a), Article VIII, of this constitution.

(d) Requires the legislature, in each state fiscal year that begins on or after September 1, 2015, but before September 1, 2024, to decrease in equal increments each year the amount of revenue to which Section 7-e(a), Article VIII, of this constitution applies that is appropriated for any purpose other than a purpose described by Section 7-e(a), Article VIII, of this constitution as necessary to comply with Subsection (c) of this temporary provision beginning September 1, 2024.

(e) Provides that this temporary provision expires September 1, 2025.

SECTION 3. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 5, 2013. Sets forth the required language of the ballot.