

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 25, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB1880** by McClendon (Relating to funds dedicated to the Texas rail relocation and improvement fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1880, As Introduced: a positive impact of \$10,777,914 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	\$5,335,601
2015	\$5,442,313
2016	\$5,551,159
2017	\$5,662,182
2018	\$5,775,426

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>State Highway Fund</i> 6	Probable Savings/(Cost) from <i>State Highway Fund</i> 6
2014	\$5,335,601	(\$5,335,601)	\$15,558,130
2015	\$5,442,313	(\$5,442,313)	\$15,869,293
2016	\$5,551,159	(\$5,551,159)	\$16,186,679
2017	\$5,662,182	(\$5,662,182)	\$16,510,412
2018	\$5,775,426	(\$5,775,426)	\$16,840,620

Fiscal Analysis

The bill would amend Section 623.0111 of the Transportation Code to specify that out of amounts collected from permit fees for excess axle and gross weight under that section, \$25 million is to be

deposited to the General Revenue Fund and the remainder to the Texas Rail Relocation and Improvement Fund (Fund 306). The bill would repeal Section 621.353 (c), which requires the Comptroller to send each fee collected under Section 623.0111 for an excess weight permit to the counties designated on the application for the permit.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2013.

Methodology

Currently, the revenue collected from permit fees under Section 623.0111 is divided between the General Revenue Fund and State Highway Fund 6 (Fund 6) based on the number of counties designated on the permit. Under the provisions of the bill, the first \$25 million collected from these permit fees would be deposited to the General Revenue Fund and the remainder would be deposited to the Texas Rail Relocation and Improvement Fund 306.

The Department of Motor Vehicles reports that a total of \$14,953,989 was collected from these fees in fiscal year 2012 of which \$9,825,576 was deposited to the General Revenue Fund and \$5,128,413 was deposited to Fund 6. Based on the analysis provided by the Comptroller's office, it is assumed the permit fee revenue will grow at a rate of two percent each fiscal year. For the purposes of this analysis, it is assumed the bill would take effect on September 1, 2013 (fiscal year 2014). Based on the information and analysis provided by DMV and the Comptroller's office, it is assumed the bill would result in a revenue gain of \$5,335,601 to the General Revenue Fund and an equal revenue loss to Fund 6 beginning in fiscal year 2014; and the revenue gain to the General Revenue Fund and loss to Fund 6 and revenue would continue at annual growth rate of two percent each year thereafter. The bill would not result in a revenue impact to Fund 306.

The bill would repeal Section 621.353 (c), Transportation Code, which requires the Comptroller to send each permit fee collected under Section 623.0111 to the counties designated on the application for the permit. Current provisions for the Fiscal Programs - Comptroller of Public Accounts in Article I of the General Appropriations Act for the 2012–13 biennium appropriate an amount from Fund 6 for distribution to counties pursuant to Section 621.353, Transportation Code, in an amount equal to the revenue collected from gross weight and axle weight permit fees for distribution to counties. For the purposes of this analysis, it is assumed the Fund 6 appropriation for this purpose would be continued in fiscal years 2014 through 2018. Therefore, it is assumed the repeal of Section 621.353 (c) would result in a savings to Fund 6 equal to the total amount of permit fee revenue collected under Section 623.0111 in each fiscal year. The counties designated on the permits would realize an equal loss in revenue to their County Road and Bridge Funds.

Local Government Impact

The repeal of Section 621.353 (c) would result in a revenue loss to local County Road and Bridge Funds.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation, 608 Department of Motor Vehicles

LBB Staff: UP, AG, MW, TG