

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 2, 2013

TO: Honorable Tommy Williams, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SJR20 by Nichols (Proposing a constitutional amendment dedicating certain revenue derived from the tax imposed on the sale of motor vehicles to the state highway fund.), **As Introduced**

No significant fiscal implication to the State is anticipated, other than the cost of publication.

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

The resolution would propose an amendment to Article VIII of the Texas Constitution, to add Section 7-e dedicating certain revenue derived from the tax imposed on the sale of motor vehicles to State Highway Fund.

The proposed amendment would require that the net revenue derived from the tax authorized by Chapter 152 of the Tax Code, be deposited to the credit of State Highway Fund. The amendment would direct that the funds be only used for a purpose authorized by Section 7-a, Article VIII, of the Texas Constitution or to repay the principal and interest on general obligation bonds issued as authorized by Section 49-p, Article III, Texas Constitution.

The provisions of the amendment would not apply to the revenue derived from the taxes authorized in Chapter 152 that as of January 1, 2013 was deposited outside of the General Revenue Fund and appropriated for certain purposes.

The resolution would direct that beginning in fiscal 2016, and ending no later than September 1, 2024, funds to the provisions of the amendment be proportionally decreased in equal amounts from their current allocation to the allocation described by the amendment.

The proposed amendment, in and of itself, would have no immediate revenue implications. This analysis assumes Section 2 of the bill, Temporary Provision (d) would require specific Legislative direction for fiscal years 2016 through 2024. In the absence of direction, the proposed amendment to the Constitution would take effect beginning fiscal 2025 and virtually all motor vehicle sales tax revenue would be deposited, beginning that year, in the state highway fund.

The proposed amendment would be submitted to voters at an election to be held November 5, 2013.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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