

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 20, 2015

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3825 by Landgraf (Relating to the allocation of a portion of certain severance tax revenue to the transportation infrastructure fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3825, As Introduced: a negative impact of (\$666,883,000) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|---|
| 2016 | (\$326,767,000) |
| 2017 | (\$340,116,000) |
| 2018 | (\$356,015,000) |
| 2019 | (\$385,466,000) |
| 2020 | (\$407,624,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue (Loss) from <i>General Revenue Fund</i> 1 | Probable Revenue Gain from <i>Transportation Infrastructure Fund</i> 184 |
|-------------|---|---|
| 2016 | (\$326,767,000) | \$326,767,000 |
| 2017 | (\$340,116,000) | \$340,116,000 |
| 2018 | (\$356,015,000) | \$356,015,000 |
| 2019 | (\$385,466,000) | \$385,466,000 |
| 2020 | (\$407,624,000) | \$407,624,000 |

Fiscal Analysis

The bill would amend Section 201.404 (natural gas production tax), 202.353 (oil production tax) and 203.152 (sulphur production tax) of the Tax Code to reallocate a portion the revenue from those taxes to the Transportation Infrastructure Fund.

The bill would reduce the General Revenue Fund share of the collections from each of the three taxes from 75 percent to 67.5 percent. The Transportation Infrastructure Fund 0184 would be allocated 7.5 percent of the collections from each of the taxes.

The bill would take effect September 1, 2015.

Methodology

The estimated fiscal impacts are based on the *2016-17 Biennial Revenue Estimate*.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

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, KK