

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 20, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB139 by Perry (Relating to use of money in the state highway fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB139, As Introduced: an impact of \$0 through the biennium ending August 31, 2017.

However, assuming appropriation levels used in the current (2014-15) biennium, the bill would result in a negative General Revenue Related impact of (\$561,060,182) beginning in fiscal year 2018 to replace State Highway Fund 6 for the purposes authorized under current law.

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
2016	\$0
2017	\$0
2018	(\$561,060,182)
2019	(\$561,060,182)
2020	(\$561,060,182)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>State Highway Fund</i> 6
2016	\$0	\$0
2017	\$0	\$0
2018	(\$561,060,182)	\$561,060,182
2019	(\$561,060,182)	\$561,060,182
2020	(\$561,060,182)	\$561,060,182

Fiscal Analysis

The bill would amend Transportation Code Section 222.001(a), relating to the use of money in the

State Highway Fund that is required to be used for public roadways by the Texas Constitution or federal law, to remove from the list of permissible uses the policing of the state highway system and the administration of state laws relating to traffic and safety on public roads by the Department of Public Safety (DPS).

The bill would take effect on September 1, 2017, contingent upon voter approval of a constitutional amendment proposed by the 84th Legislature, Regular Session, 2015, prescribing the purposes for which revenue from motor vehicle registration fees, taxes on motor fuels and lubricants, and certain revenues received from the federal government may be used.

Methodology

For the purposes of this analysis, it is assumed a constitutional amendment would be approved by the voters and the provisions of the bill would take effect on September 1, 2017 (fiscal year 2018).

The bill would have no effect on revenue collections from constitutionally dedicated sources deposited to the State Highway Fund (SHF). However, beginning in fiscal year 2018, the bill would exclude from the authorized uses of these funds the policing and administration of laws pertaining to the supervision of traffic and safety on public roadways, which is the responsibility of the Department of Public Safety (DPS). State Highway Fund appropriations for DPS (including employee benefits) total \$1,115,227,801 for the 2014-15 biennium. Using that amount as a basis for DPS funding levels for the 2016-17 fiscal biennium and beyond, this analysis assumes an average appropriation of \$557.6 million per fiscal year from the General Revenue Fund instead of the SHF would be made to DPS beginning in fiscal year 2018 resulting in a cost to General Revenue and savings to the SHF beginning in fiscal year 2018.

DPS also refers administrative license revocation (ALR) cases to the State Office of Administrative Hearings (SOAH), for which SOAH is appropriated \$6,892,563 (including employee benefits) from the SHF for the 2014-15 biennium. Because the proposed bill would prohibit this method of financing beginning in the 2018-19 biennium, this analysis assumes that total appropriations for ALR cases would continue at similar levels in each biennium and General Revenue would be appropriated instead of SHF, resulting in an average annual cost of \$3,446,282 to General Revenue and an equal amount of savings to the SHF beginning in fiscal year 2018.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 601 Department of Transportation

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