

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 5, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SJR12 by Perry (Proposing a constitutional amendment prescribing the purposes for which revenue from motor vehicle registration fees, certain motor vehicle-related taxes, and certain revenues received from the federal government may be used.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SJR12, As Engrossed: a negative impact of (\$118,681) through the biennium ending August 31, 2017.

However, assuming appropriation levels used in the current biennium, the bill would result in a negative General Revenue Related impact of (\$561,060,182) beginning in fiscal year 2018 to replace no longer using 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	(\$118,681)
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	(\$118,681)	\$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 resolution would propose an amendment to Section 7-a, Article VIII, of the Texas Constitution, to limit the purposes for which net revenues from motor vehicle registration fees, taxes on motor fuels and lubricants, and certain revenues received from the federal government could be used. The amendments would remove provisions permitting net revenue from these taxes and fees to be used for the policing of and the administration of laws pertaining to the supervision of traffic and safety on public roadways and for the payment of principal and interest on certain county and road district bonds or warrants.

The changes to Sections 7-a and 7-b, Article VIII, made by the proposed amendment would only apply for a state fiscal biennium that begins on or after September 1, 2017.

The proposed amendment would be submitted to voters at an election to be held November 3, 2015.

Methodology

The cost to the state for publication of the resolution is \$118,681 in fiscal year 2016.

The proposed amendment would have no effect on revenue collections from the specified fees and taxes, which are deposited to the State Highway Fund (SHF). However, beginning in fiscal year 2018, the amendment's provisions 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 amendment 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

LBB Staff: UP, KK, NV, TG, AG