

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 15, 2015

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SJR62 by Nichols (Proposing a constitutional amendment dedicating certain revenue sources to be used for the acquisition of rights-of-way for and the construction and maintenance of public roadways.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SJR62, As Introduced: a negative impact of (\$300,540,681) through the biennium ending August 31, 2017; the Resolution would also create a revenue gain of \$153,608,000 to a new General Revenue Dedicated account to be used for the purposes specified in the legislation.

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	(\$149,800,681)
2017	(\$150,740,000)
2018	(\$151,822,000)
2019	(\$152,920,000)
2020	(\$154,033,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from New General Revenue Dedicated	Probable (Cost) from General Revenue Fund 1	Probable Savings from State Highway Fund 6
2016	(\$76,275,000)	\$76,275,000	(\$73,525,681)	\$73,407,000
2017	(\$77,333,000)	\$77,333,000	(\$73,407,000)	\$73,407,000
2018	(\$78,415,000)	\$78,415,000	(\$73,407,000)	\$73,407,000
2019	(\$79,513,000)	\$79,513,000	(\$73,407,000)	\$73,407,000
2020	(\$80,626,000)	\$80,626,000	(\$73,407,000)	\$73,407,000

Fiscal Analysis

The resolution would propose an amendment to Article VIII of the Texas Constitution, to add new Section 7-c which would stipulate, subject to legislative appropriation, allocation, and direction, the net revenues from the following sources be used for the acquisition of rights-of-way for and the maintenance of public roadways other than toll roads: (1) fees for permits for overweight vehicles; (2) tolls collected in excess of the amount pledged for debt obligations from a toll project or system that is part of the state highway system; (3) payments received under a comprehensive development agreement for a toll project or system; (4) the sale or transfer of any interest in a highway right-of-way or real property acquired for a state highway purpose that is no longer needed for such a purpose; and (5) the sale of surplus motor vehicles by state agencies.

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.

Under current law, a portion of the fees collected from oversize/overweight vehicle permits is deposited to the General Revenue (GR) Fund. The resolution would restrict the use of the revenue to non-tolled public roadway purposes and reduce the amount of GR available for general state spending; this estimate assumes the creation of a new General Revenue-Dedicated account for this purpose. Based on the Comptroller's 2016-17 Biennial Revenue Estimate, the amount of GR from permit fees that would be required to be used for the acquisition of rights-of-way for and construction and maintenance of public roadways is estimated to be \$76.3 million in fiscal year 2016 and \$77.3 million in fiscal year 2017 (\$153.6 million for the 2016-17 biennium). Based on the analysis provided by the Comptroller's office, it is assumed the amount of permit fee revenue would increase by 1.4 percent each year thereafter. This analysis assumes the provisions of proposed amendment would authorize the appropriation of funds from this revenue source to cover the expenses of the Department of Motor Vehicles and other state agencies responsible for collecting the revenue and making any refunds allowed by law. The new GR-D account would also receive revenues from the sale of surplus motor vehicles by state agencies; that amount is not estimated in the tables but is approximately \$6.9 million for the 2016-17 biennium.

The resolution would dedicate certain revenue sources deposited to the State Highway Fund (SHF) No. 6 that are not currently dedicated for public roadway purposes by the Texas Constitution, including a portion of oversize/overweight vehicle permit fees and proceeds from the sale of state highway right-of-way and related real property. Based on the Comptroller's 2016-17 Biennial Revenue Estimate, approximately \$114 million each fiscal year from oversize/overweight permit fees would be required to be used from non-tolled public roadway purposes. As a result, it is assumed the remaining sources of SHF revenue not dedicated to public roadway purposes would not be sufficient to accommodate statutorily required transfers and appropriations out of the SHF for certain non-highway programs at the Texas Department of Transportation (TxDOT). Based on information provided by TxDOT and legislative appropriations for the 2014-15 biennium, the total amount of SHF appropriations budgeted for these non-highway programs is approximately \$73.4 million in fiscal year 2015 for TxDOT's aviation services, public transportation, maritime (Gulf Intracoastal Waterway), and travel information programs. For the purposes of this analysis, it is assumed appropriations for these programs would remain constant at fiscal year 2015 budgeted levels and appropriations from GR instead of SHF would be made for these purposes in fiscal years 2016 and each year thereafter. The resulting cost to GR and savings to the SHF of \$73.4 million each year are shown in the table above.

Under current law, surplus state highway toll project revenue and payments received under a comprehensive development agreement are to be deposited to the SHF and may only be used for transportation projects, air quality projects, and the operation of transportation projects. The proposed amendment would limit the use of these revenue sources to the acquisition, construction, and maintenance of non-tolled public roadways.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: UP, AG, NV, TG