

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 2, 2017**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB1008** by Seliger (Relating to funding for the economic stabilization fund, including the rates of severance taxes on oil and gas production.), **As Introduced**

**No fiscal implication to the State is anticipated from only the bill. The corresponding fiscal impact is shown in the fiscal note for SJR 41.**

The bill would amend Chapters 201 and 202 of the Tax Code relating to funding for the Economic Stabilization Fund (ESF) and the rates of severance taxes on oil and natural gas production. The tax rates on crude oil and natural gas production would be reduced by certain percentages as prescribed by SJR 41, a proposed constitutional amendment to Section 49-g, Article III, Texas Constitution.

The bill would repeal Sections 316.091, 316.092, 316.093 and 404.0241(a) and (d) of the Government Code regarding the determination of sufficient balance of the ESF in relation to the required transfers to the ESF and the State Highway Fund (SHF), and the investment requirement of a portion of the ESF.

Because SB 1008 is only the enabling legislation for the constitutional amendment proposed by SJR 41, the bill would have no fiscal impact unless SJR 41 is adopted. The corresponding fiscal impact is shown in the fiscal note for SJR 41.

The bill would take effect January 1, 2018, if voters approve a constitutional amendment providing for foregoing the transfer of oil and natural gas production tax revenue to the ESF if the ending fund balance for the preceding fiscal year is greater than \$5 billion and for reducing the severance taxes by the same foregone amount.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD