

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 2, 2019**

**TO:** Honorable John Zerwas, Chair, House Committee on Appropriations

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB2154** by Landgraf (Relating to the allocation of certain constitutional transfers of money to the economic stabilization fund, the state highway fund, and the generate recurring oil wealth for Texas (GROW Texas) fund and to the permissible uses of money deposited to the generate recurring oil wealth for Texas (GROW Texas) fund.), As **Introduced**

**The bill is the enabling legislation for House Joint Resolution 82. Therefore the fiscal impact of the bill combined with the proposed constitutional amendment is shown in the fiscal note of House Joint Resolution 82.**

**Relative to current law the bill would create a significant revenue gain to the State Highway Fund and a corresponding revenue loss to the Economic Stabilization Fund beginning in fiscal year 2026.**

The bill would repeal Sections 316.092 (e) and 316.093 (e) and (f) of the Government Code to make permanent provisions relating to the determination of a sufficient balance of the Economic Stabilization Fund (ESF), and for the purpose of calculating allocations of oil and gas production tax revenue to the State Highway Fund (SHF) and Generate Recurring Oil Wealth for Texas (GROW Texas), created by HJR 82. Additionally, Section 404.0241(d) would be amended to make permanent provisions of the Government Code relating to the determination of a sufficient balance of the ESF for the purpose of calculating the amount of the ESF that can be invested under the standard of ordinary prudence.

This bill would amend Subchapter G, Chapter 403 of the Government Code by adding Section 403.1081 to refer to the constitutionally established (but not yet approved) GROW Texas Fund as a fund in the state treasury. Money in the fund could be appropriated to the Texas Department of Transportation, Texas Department of Public Safety and Comptroller of Public Account for the permissible uses as established by this bill.

This bill would make conforming changes to Section 316.092 of the Government Code.

This bill would take effect January 1, 2020 but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, is approved by the voters. If that amendment is not approved by the voters, this bill would have no effect.

The provisions of the bill extending in perpetuity the transfers of oil and gas tax collections to the SHF that under current law would expire December 31, 2024 would create a significant revenue

gain to the State Highway Fund and a corresponding revenue loss to the Economic Stabilization Fund beginning in fiscal year 2026. Other provisions of the bill in and of itself would have no fiscal impacts. The fiscal implications of creating the GROW Texas Fund are given in the corresponding joint resolution (HJR 82).

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** WP, KK, SD