

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 18, 2019

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

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

IN RE: HJR5 by Thompson, Senfronia (proposing a constitutional amendment providing for the dedication of certain sales and use tax revenue to the Texas mental and behavioral health research fund established to fund research, treatment, and access to services in this state for behavioral health, mental health, and substance use and addictions issues.),
Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HJR5, Committee Report 2nd House, Substituted: a negative impact of (\$177,289) through the biennium ending August 31, 2021.

Additionally, there would be a negative impact of (\$200,000,000) through the biennium ending August 31, 2023.

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
2020	(\$177,289)
2021	\$0
2022	(\$100,000,000)
2023	(\$100,000,000)
2024	(\$100,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Probable Revenue (Loss) from General Revenue Fund 1	Probable Revenue Gain from Texas Mental and Behavioral Health Research Fund
2020	(\$177,289)	\$0	\$0
2021	\$0	\$0	\$0
2022	\$0	(\$100,000,000)	\$100,000,000
2023	\$0	(\$100,000,000)	\$100,000,000
2024	\$0	(\$100,000,000)	\$100,000,000

Fiscal Analysis

The joint resolution would propose to amend the Texas Constitution to establish a fund for support of research, treatment, and access to services for behavioral health, mental health, and substance use and addiction issues, and to provide a dedication of sales tax revenue to the fund.

Article III would be amended by adding Section 68 to establish the Texas Mental and Behavioral Health Research Fund in the state treasury. Money from the fund could be used (1) to research behavioral health issues generally, (2) to research substance use and addiction issues, (3) to research behavioral and mental health issues affecting children and adolescents, and (4) to address the shortage of mental health professionals in the state.

Section 7-c, Article VIII would be amended by adding Subsection (b-1) to provide that in each state fiscal year \$100 million of the net revenue derived from imposition of the state sales and use tax under Chapter 151, Tax Code that exceeds the amount of (1) \$35.04 billion in fiscal year 2020, and (2) \$36.16 billion in each subsequent fiscal year, shall be deposited to the credit of the fund.

Section 7-c, Article VIII would be amended by adding Subsection (d-1) to provide that by a record vote of two-thirds of the membership of each house, the legislature could direct that the deposit to the credit of the fund under Subsection (b-1) be reduced by no more than 50 percent. Such reduction could be only for the state fiscal year in which the resolution directing the reduction is adopted, or in either of the following two fiscal years.

Section 7-c, Article VIII would be amended by adding Subsection (d-1) to provide that the requirement of deposits of sales tax revenue to the fund expires August 31, 2030.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 5, 2019.

Methodology

As the forecast of sales tax revenue in the 2020-21 Biennial Revenue Estimate does not exceed \$35.04 billion in fiscal year 2020 and \$36.16 billion in fiscal year 2021, no deposit to the fund would be expected before fiscal year 2022. As the forecast of sales tax revenue for fiscal year 2022 and each year thereafter exceeds \$36.16 by more than \$100 million each year, a deposit of \$100 million to the fund would be expected in those years and years thereafter. Deposits to the fund would occur in fiscal years 2020 and 2021 if actual sales tax revenue collections exceed the amounts forecast in the 2020-21 Biennial Revenue Estimate.

The cost to the state for publication of the resolution is \$177,289.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 529 Health and Human Services Commission

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