**BILL ANALYSIS**

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| Senate Research Center | C.S.H.B. 2230 |
|  | By: Canales (Nichols) |
|  | Finance |
|  | 5/10/2023 |
|  | Committee Report (Substituted) |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

On November 4, 2014, 80 percent of Texas voters approved the ballot measure known as Proposition 1, which authorized a constitutional amendment for transportation funding. Under the amendment, a portion of existing oil and natural gas production taxes, also known as severance taxes, would be divided evenly between the economic stabilization fund and the state highway fund (SHF). Pursuant to Section 49-g(c), Article III, Texas Constitution, the funds may only be used for constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads.

H.B. 2230 would sunset the expiration date of Proposition 1 fund transfers to the SHF.

(Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 2230 amends current law relating to the determination of the sufficient balance of the economic stabilization fund for the purpose of allocating general revenue to that fund and the state highway fund.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 316.092(b), Government Code, to provide that Section 316.092 (Determination of Threshold for Constitutional Transfer to State Highway Fund) expires December 31, 2042, rather than December 31, 2034.

SECTION 2. Amends Sections 316.093(c) and (d), Government Code, as follows:

(c) Requires the Comptroller of Public Accounts of the State of Texas (comptroller), for certain purposes, to adjust the allocation provided by Section 49-g(c-1) (relating to requiring the comptroller to allocate one-half of the sum of certain amounts to the economic stabilization fund and the remainder to the state highway fund), Article III (Legislative Department), Texas Constitution, of amounts to be transferred to the fund and to the state highway fund under Section 49-g(c) (relating to requiring the comptroller to transfer from the general revenue fund to the economic stabilization fund and the state highway fund the sum of certain amounts, to be allocated in a certain manner) of that article in a state fiscal year beginning on or after September 1, 2043, rather than September 1, 2035, so that the total of those amounts is transferred to the economic stabilization fund, except that the comptroller is required reduce a transfer made under this subsection as necessary to prevent the amount in the fund from exceeding a certain limit.

(d) Provides that Subsections (a) (relating to requiring the comptroller to determine whether the sum of the balance of the economic stabilization fund and any projected transfers to the economic stabilization fund is less than a certain amount), (b) (relating to requiring the comptroller to reduce of the allocation to the state highway fund and increase the allocation to the economic stabilization fund by certain amounts), and (d) expire December 31, 2042, rather than December 31, 2034.

SECTION 3. Effective date: September 1, 2023.