

BILL ANALYSIS

Senate Research Center
88R11945 KBB-F

S.B. 1232
By: Nichols
Finance
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As Filed

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.

S.B. 1232 would extend the expiration date of Proposition 1 fund transfers to the SHF from December 31, 2034, to December 31, 2042.

As proposed, S.B. 1232 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 2034.

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

(c) Requires the Comptroller of Public Accounts of the State of Texas (comptroller), for the purposes of Section 49-g(c-2) (relating to requiring the legislature by law to provide for a procedure by which the allocation of the sum of the amounts described by certain subsections be adjusted to provide for a transfer to the economic stabilization fund of an amount greater than the allocation provided for under Subsection (c-1) (relating to requiring the comptroller to allocate one-half to the economic stabilization fund and the remainder to the state highway fund, of the sum of certain amounts) with the remainder of that sum allocated for transfer to the state highway fund), Article III (Legislative Department), Texas Constitution, to adjust the allocation provided by Section 49-g(c-1) of that article 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 state highway fund the sum of amounts described by certain subsections with certain limitations) of that article in a state fiscal year beginning on or after September 1, 2043, rather than 2035, so that the total of those amounts is transferred to the economic stabilization fund, except that the comptroller is required to reduce a transfer made under this subsection as necessary to prevent the amount in the fund from exceeding the limit in effect for that biennium under Section 49-g(g) (relating to prohibiting the amount in the economic stabilization fund

from exceeding an amount equal to 10 percent of the total amount deposited in general revenue during the preceding biennium) of that article.

(d) Provides that Subsections (a) (relating to requiring the comptroller to determine whether the sum of the balance of the fund and any projected transfer to the fund under certain sections is less than the amount determined under Section 316.092 for the state fiscal biennium) and (b) (relating to requiring the comptroller to reduce the allocation to the state highway fund if the sum described in Subsection (a) is less than the amount described by Section 316.092) and this subsection expire December 31, 2042, rather than 2034.

SECTION 3. Effective date: September 1, 2023.