

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 9, 2023

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2230 by Canales (Relating to the determination of the sufficient balance of the economic stabilization fund for the purpose of allocating certain constitutional transfers of money to that fund and the state highway fund.), **As Engrossed**

No fiscal implication to the State is anticipated in the near term. Significant fiscal implications would begin in fiscal year 2036.
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The bill would amend Subchapter H (Allocation of Transfers to Economic Stabilization Fund and State Highway Fund), Chapter 316 (Appropriations) of the Government Code regarding the determination of the sufficient balance of the Economic Stabilization Fund (ESF) for the purpose of allocating constitutional transfers to that fund and to the State Highway Fund (SHF).

The bill would repeal Section 316.092 (b), which would remove the expiration date of the section.

The bill would repeal Section 316.093 (c) and (d), which would repeal the expiration date of the section and extend beyond fiscal 2035 the calculation of the sufficient balance of the ESF as it relates to the severance taxes transfer to the SHF and ESF. The repeal of Section 316.093 (c) would eliminate the cessation of transfers to the SHF after FY 2035, resulting in continuation of those transfers permanently.

The repeal of Sec. 316.092(b) would have no revenue implications. The repeal of Sec. 316.093(c) would result in significant revenue gain to the SHF, and corresponding loss to the ESF, after fiscal year 2035.

The bill would take effect September 1, 2023.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD