

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 2, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1232 by Nichols (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.), **As Introduced**

There would be a sufficient loss from General Revenue and the Economic Stabilization Fund, and a corresponding gain to the State Highway Fund, beginning in fiscal year 2036.

The bill would extend the expiration of Section 316.092 (b) of the Government Code, relating to the determination of the sufficient balance of the economic stabilization fund (ESF) for the purpose of allocating general revenue (GR) to that fund and the state highway fund (SHF), from fiscal 2035 to 2043.

Likewise, the bill would extend Section 316.092 (c) of the Government Code, providing for allocation of the total amounts of severance tax revenue subject to transfer from GR to the ESF and consequent cessation of transfer to the SHF, from fiscal 2036 to 2044.

During fiscal years 2036 – 2044, assuming severance tax collections were to continue at current levels, there would be a gain to the SHF of about \$3,600,000,000 each year and an equivalent reduction to GR and/or the ESF, with the allocation of reduction between GR and the ESF depending on the balance of the ESF relative to its constitutional limit.

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