

## **BILL ANALYSIS**

Senate Research Center  
82R7686 JAM-D

S.J.R. 38  
By: Davis  
Finance  
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As Filed

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

With the fastest growing population in the United States, maintaining mobility in Texas is a huge challenge. This situation is complicated by the fact that Texas will have no new money to add transportation capacity after the first quarter of 2012.

Currently, 35 percent of the available funds in Fund 006 are diverted to purposes other than acquiring rights-of-way, constructing, or maintaining public roadways. Ending diversions from Fund 006 is an important first step to addressing the transportation funding problem.

S.J.R. 38 will freeze diversions at the 2012-2013 level. It would also require the legislature to reduce the total amount of diversions by one-fifth in any future biennium where the state's revenues grow by more than three times the amount of the reduction in diversions.

The ending of diversions from Fund 006 in no way impacts transportation related to revenue that flows into the Available School Fund. By limiting the reduction in diversions to only those years where state revenues are sufficient to more than make up the difference, the state is held harmless in making the reductions moving forward.

S. J.R. 38 proposes a constitutional amendment limiting the uses of revenue from motor vehicle registration fees, taxes on motor fuels and lubricants, and certain revenue received from the federal government.

### **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 7-a, Article VIII, Texas Constitution, as follows:

Sec. 7-a. (a) Creates this subsection from existing text. Deletes existing text requiring that, subject to legislative appropriation, allocation and direction, all net revenues remaining after payment of all refunds allowed by law and expenses of collection derived from motor vehicle registration fees, and all taxes, except gross production and ad valorem taxes, on motor fuels and lubricants use to propel motor vehicles over public roadways be used for the payment of the principal and interest on county and road district bonds or warrants voted or issued prior to January 2, 1939, and declared eligible prior to January 2, 1945, for payment out of the county and road district highway fund under existing law.

(b) Prohibits the legislature, for a biennium, from appropriating funds derived from the revenue described by Subsection (a) of this section or Section 7-b of this article for a purpose other than acquiring rights-of-way or constructing or maintaining public roadways in an amount that exceeds the lesser of:

(1) the total amount of those funds appropriated for a purpose other than acquiring rights-of-way or constructing or maintaining public roadways in the preceding biennium; or

(2) the amount determined under Subsection (c) of this section.

(c) Provides that, for each biennium, the maximum amount that may be appropriated as provided by Subsection (b) of this section is reduced by 20 percent from the preceding biennium if the estimate of anticipated revenue from all sources made in advance of the regular session under Section 49a(a) (relating to the statement of the condition of the state treasury required to be prepared and submitted by the comptroller of public accounts in advance of each regular session of the legislature), Article III (Legislative Department), of this constitution for the biennium exceeds the total amount of revenue from all sources for the preceding biennium by more than three times the amount of the reduction.

SECTION 2. Provides that the following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 82nd Legislature, Regular Session, 2011, to limit the purposes for which revenue from motor vehicle registration fees, taxes on motor fuels and lubricants, and certain revenue from the federal government may be used.

(b) Provides that the changes to Section 7-a, Article VIII, of this constitution made by the amendment apply only in connection with a state fiscal biennium that begins on or after September 1, 2013.

(c) Provides that this temporary provision expires September 2, 2013.

SECTION 3. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 8, 2011. Sets forth the required language of the ballot.