

BILL ANALYSIS

Senate Research Center

S.B. 962
By: Nichols
Finance
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Enrolled

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 (ESF) 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.J.R. 1 amended the constitution to include Proposition 1 funding, and H.B. 1 created a sufficient balance committee to determine a minimum balance of the ESF before transfers of severance taxes to the SHF may begin to occur. H.B. 1 included a sunset date of December 31, 2024. The legislature passed both pieces of legislation in the 83rd Legislature (3rd Called Session). (Original Author's/Sponsor's Statement of Intent)

S.B. 962 amends current law relating to the determination of the sufficient balance of the economic stabilization fund for purposes 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(e), Government Code, to provide that this section expires on December 3, 2034, rather than December 31, 2024.

SECTION 2. Amends Sections 316.093(e) and (f), Government Code, as follows:

(e) Requires the comptroller of public accounts of the State of Texas (comptroller), for the purposes of Section 49-g(c-2) (relating to authorizing certain sums to be adjusted to provide for a transfer to the economic stabilization fund), Article III, Texas Constitution, to adjust the allocation provided by Section 49-g(c-1) (relating to requiring the comptroller to allocate certain funds to the economic stabilization fund and to the state highway fund) 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 to the state highway fund certain sums) of that article in a state fiscal year beginning on or after September 1, 2035, rather than September 1, 2025, 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.

(f) Provides that Subsections (a) (relating to requiring the comptroller to determine whether the sum of the balance of a certain fund is less than the sufficient balance), (b) (relating to requiring the comptroller to reduce the allocation to the state highway fund if the sum is less than a certain balance), and (c) (relating to requiring the comptroller to adjust the allocation of amounts to be transferred to the fund and to the state highway fund if a sufficient balance has not been adopted) and this subsection expire on December 31, 2034, rather than December 31, 2024.

SECTION 3. Effective date: September 1, 2019.