

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

July 28, 2013

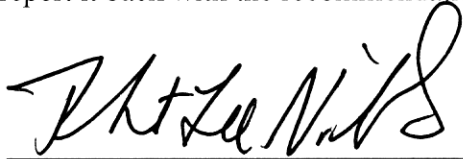
Date

Honorable David Dewhurst  
President of the Senate

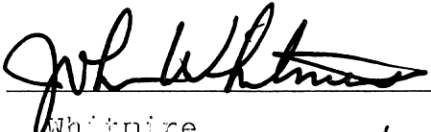
Honorable Joe Straus  
Speaker of the House of Representatives

Sirs:

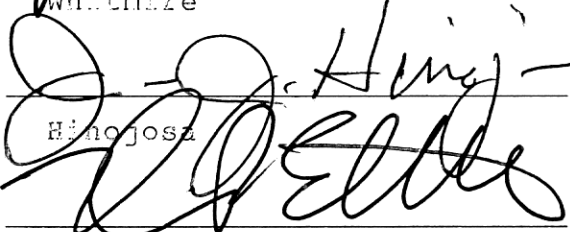
We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 16 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.



Nichols



Whitnize



Hingj

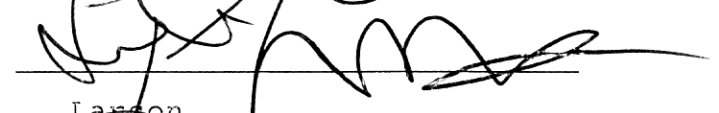


Williams

On the part of the Senate  
Williams



Harper Brown



Larson



Otto



Pickett

On the part of the House  
Thompson

## Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

# CONFERENCE COMMITTEE REPORT

**3<sup>rd</sup> Printing**

H.B. No. 16

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation and functions of legislative select  
3 committees on transportation funding, expenditures, and finance  
4 and to the preservation of a sufficient balance in the economic  
5 stabilization fund.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. (a) The speaker of the house of representatives  
8 shall appoint nine members to a House Select Committee on  
9 Transportation Funding, Expenditures, and Finance and designate  
10 one member as chair. The lieutenant governor shall appoint nine  
11 members to a Senate Select Committee on Transportation Funding,  
12 Expenditures, and Finance and designate one member as chair.  
13 The speaker and lieutenant governor shall make the appointments  
14 not later than November 30, 2013.

15 (b) The committees established under this section may meet  
16 separately at the call of the chair of the committee or jointly  
17 at the call of both chairs. In joint meetings, the chairs shall  
18 act as joint chairs.

19 (c) The committees established under this section, meeting  
20 separately or jointly, shall review, study, and evaluate:

21 (1) the future reliability of all current state  
22 transportation funding sources;

23 (2) alternatives that may increase available state  
24 funding for surface transportation, including an examination of

1 increases to current surface-transportation-related funding  
2 streams and possible diversions of non-surface-transportation-  
3 related funding streams toward surface transportation funding;

4 (3) the use of debt financing in state transportation  
5 funding, including the uses of the Texas Mobility Fund, and the  
6 effects on long-term transportation planning of using debt  
7 financing;

8 (4) alternative transportation funding options in use  
9 nationally and internationally;

10 (5) current and historic appropriations to the Texas  
11 Department of Transportation, including:

12 (A) whether that agency's budget structure best  
13 maximizes the application of limited public funds toward highway  
14 maintenance and construction;

15 (B) whether there are opportunities to reduce the  
16 use of money from the state highway fund by that agency for  
17 activities not related to highway maintenance and construction,  
18 including such uses as employee salaries and benefits; and

19 (C) possible benefits of developing a budget for  
20 that agency for the 2016-2017 state fiscal biennium using zero-  
21 based budgeting principles;

22 (6) the uses of the state highway fund for agencies  
23 other than the Texas Department of Transportation, including and  
24 emphasizing the use of that fund for the Department of Public  
25 Safety of the State of Texas; and

26 (7) the original purpose of the economic stabilization  
27 fund established by Section 49-g, Article III, Texas

1 Constitution, whether that purpose remains relevant, and whether  
2 it remains appropriate to continue using the net amount of oil  
3 and gas production taxes received in the 1987 state fiscal year  
4 as the basis for making general revenue transfers to the  
5 economic stabilization fund.

6 (d) Following consideration of the factors described by  
7 Subsection (c) of this section, the committees established under  
8 this section shall jointly adopt recommendations related to the  
9 reviewed subjects and shall provide a written report of the  
10 committees' recommendations on the reviewed subjects to the  
11 legislature not later than November 1, 2014.

12 (e) The committees established under this section may  
13 exercise any power of a committee of their respective chambers  
14 and any powers of a joint committee. For the purposes of this  
15 Act, the committees established under this section are  
16 considered a joint committee and the cost of operation of each  
17 committee may be borne in the same manner as the cost of a joint  
18 committee. The Texas Legislative Council may provide funding  
19 for the operations of the committees. To the extent not  
20 inconsistent with this resolution, the joint rules adopted by  
21 the 83rd Legislature for the administration of joint interim  
22 legislative study committees apply to the committees established  
23 under this section.

24 (f) This section expires January 13, 2015.

25 SECTION 2. (a) Chapter 316, Government Code, is amended by  
26 adding Subchapter H to read as follows:

27 SUBCHAPTER H. PRESERVATION OF SUFFICIENT BALANCE IN

1                                    ECONOMIC STABILIZATION FUND

2            Sec. 316.091. DEFINITION. In this subchapter:

3                    (1) "Board" means the Legislative Budget Board.

4                    (2) "Fund" means the economic stabilization fund.

5            Sec. 316.092. DETERMINATION OF SUFFICIENT BALANCE. (a)

6 For the purposes of Section 49-g(c-2), Article III, Texas  
7 Constitution, before the board submits the budget as prescribed  
8 by Section 322.008(c), the board shall determine and adopt for  
9 the next state fiscal biennium a sufficient balance of the fund  
10 in an amount that the board estimates will ensure an appropriate  
11 amount of revenue available in the fund. In determining the  
12 sufficient balance for each that fiscal biennium, the board  
13 shall consider:

14                    (1) the history of fund balances;

15                    (2) the history of transfers to the fund;

16                    (3) estimated fund balances during that fiscal  
17 biennium;

18                    (4) estimated transfers to the fund to occur during  
19 that fiscal biennium;

20                    (5) information available to the board regarding state  
21 highway congestion and funding demands; and

22                    (6) any other information requested by the board  
23 regarding the state's financial condition.

24            (b) On or before October 1 of each even-numbered year, the  
25 comptroller shall provide to the board the comptroller's  
26 projection of the amounts to be transferred to the fund during  
27 the next state fiscal biennium.

1       Sec. 316.093. ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO  
2 FUND AND STATE HIGHWAY FUND. (a) Before the comptroller makes  
3 transfers for a state fiscal year in accordance with Section 49-  
4 g(c), Article III, Texas Constitution, the comptroller shall  
5 determine whether the sum of the balance of the fund on the  
6 preceding August 31, any projected transfer to the fund under  
7 Sections 49-g(b) of that article, and any projected transfer to  
8 the fund under Section 49-g(c) of that article in accordance  
9 with the allocations for the transfer as provided by Section 49-  
10 g(c-1) of that article is less than the sufficient balance  
11 adopted under Section 316.092.

12       (b) If the sum described by Subsection (a) is less than the  
13 sufficient balance adopted under Section 316.092, the  
14 comptroller shall adjust the allocation of amounts to be  
15 transferred to the fund and to the state highway fund as  
16 provided by Section 49-g(c), Article III, Texas Constitution, so  
17 that:

18           (1) the amount allocated for transfer to the fund is  
19 increased by an additional amount equal to the lesser of the  
20 remaining one-half of the sum of the amounts allocated for  
21 transfer under Sections 49-g (d) and (e) of that article or the  
22 amount necessary for the sufficient balance to be reached when  
23 considered together with other estimated transfers to the fund  
24 during the then-current fiscal year; and

25           (2) the amount allocated for transfer to the state  
26 highway fund is reduced by the amount of the increased  
27 allocation to the fund under Subdivision (1).

1        (c) If the board has not adopted under Section 316.092 a  
2 sufficient balance for the comptroller to consider under this  
3 section, the comptroller shall adjust the allocation of amounts  
4 to be transferred to the fund and to the state highway fund as  
5 provided by Section 49-g(c), Article III, Texas Constitution, so  
6 that the total of those amounts are transferred to the economic  
7 stabilization fund, except that the comptroller shall reduce a  
8 transfer made under this subsection as necessary to prevent the  
9 amount in the fund from exceeding the limit in effect for that  
10 biennium under Section 49-g(g) of that article.

11        (d) As soon as practicable after the effective date of  
12 this section, the board shall determine and adopt a sufficient  
13 balance of the fund applicable to the transfers to be made under  
14 Section 49-g(c), Article III, Texas Constitution, for the state  
15 fiscal year beginning September 1, 2014, and a sufficient  
16 balance of the fund applicable to the transfers to be made under  
17 that section for the next fiscal biennium. The comptroller may  
18 not make the transfers required under that section for the state  
19 fiscal year beginning September 1, 2014, until the board has  
20 adopted a sufficient balance under this subsection. However, if  
21 the board has not adopted the balance before the 30th day after  
22 the effective date of this section, the comptroller shall make  
23 that transfer on the 30th day after the effective date of this  
24 section in accordance with Subsection (c) of this section. This  
25 subsection expires September 1, 2015.

26        (b) This section takes effect immediately on the final  
27 canvass of the election on the constitutional amendment proposed

1 by the 83rd Legislature, 2nd Called Session, 2013, to provide  
2 for the transfer of certain general revenue to the economic  
3 stabilization fund and the state highway fund and for the  
4 dedication of the revenue transferred to the state highway fund,  
5 but only if that amendment is approved by the voters. If that  
6 amendment is not approved by the voters, this Act has no effect.

7 SECTION 3. Except as otherwise provided by this Act:

8 (1) this Act takes effect immediately if it receives a  
9 vote of two-thirds of all the members elected to each house, as  
10 provided by Section 39, Article III, Texas Constitution; and

11 (2) if this Act does not receive the vote necessary  
12 for immediate effect, this Act takes effect on the 91st day  
13 after the last day of the legislative session.



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SECTION 1. (a) Section 43.001(b), Education Code, is amended to read as follows:

(b) The available school fund, which shall be apportioned annually to each county according to its scholastic population, consists of:

(1) the distributions to the fund from the permanent school fund as provided by Section 5(a), Article VII, Texas Constitution;

(2) one-fourth of all revenue derived from all state occupation taxes, exclusive of delinquencies and cost of collection;

(3) the amounts transferred to the fund under Section 5(h), Article VII, Texas Constitution [~~one-fourth of revenue derived from state gasoline and special fuels excise taxes as provided by law~~]; and

(4) all other appropriations to the available school fund made by the legislature for public school purposes.

*No equivalent provision.*

Same as Senate version.

(b) Sections 162.502(b) and (c), Tax Code, are amended to read as follows:

(b) The comptroller shall allocate and deposit these unclaimed refunds [~~as follows~~:

~~[(1) 25 percent of the revenues based on unclaimed refunds of taxes paid on motor fuel used in motorboats shall be deposited to the credit of the available school fund; and~~

~~[(2) the remaining 75 percent of the revenue shall be deposited]~~ to the credit of the general revenue fund.

(c) Money deposited to the credit of the general revenue fund under Subsection (b) [~~(b)(2)~~] may be appropriated only to the Parks and Wildlife Department for any lawful purpose.

*No equivalent provision.*

Same as Senate version.

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(c) Section 162.503, Tax Code, as amended by S.B. No. 559, Acts of the 83rd Legislature, Regular Session, 2013, is amended to read as follows:

Sec. 162.503. ALLOCATION OF GASOLINE TAX. (a) On or before the fifth workday after the end of each month, the comptroller, after making all deductions for refund purposes and for the amounts allocated under Sections 162.502 and 162.5025, shall allocate the net remainder of the taxes collected under Subchapter B as follows:

(1) ~~three-fourths [one-fourth of the tax shall be deposited to the credit of the available school fund;~~

~~[(2) one-half] of the tax shall be deposited to the credit of the state highway fund [for the construction and maintenance of the state road system under existing law]; and~~

~~(2) [(3)] from the remaining one-fourth of the tax the comptroller shall:~~

~~(A) deposit to the credit of the county and road district highway fund all the remaining tax receipts until a total of \$7,300,000 has been credited to the fund each fiscal year; and~~

~~(B) after the amount required to be deposited to the county and road district highway fund has been deposited, deposit to the credit of the state highway fund the remainder of the one-fourth of the tax, the amount to be provided on the basis of allocations made each month of the fiscal year, which sum shall be used by the Texas Department of Transportation for the construction, improvement, and maintenance of farm-to-market roads.~~

~~(b) Money deposited to the credit of the state highway fund under Subsection (a)(1) may be appropriated only for a purpose authorized by Section 7-a, Article VIII, Texas Constitution.~~

*No equivalent provision.*

Same as Senate version.

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(d) Section 162.504, Tax Code, as amended by S.B. No. 559, Acts of the 83rd Legislature, Regular Session, 2013, is amended to read as follows:

Sec. 162.504. ALLOCATION OF DIESEL FUEL TAX. (a) On or before the fifth workday after the end of each month, the comptroller, after making deductions for refund purposes, for the administration and enforcement of this chapter, and for the amounts allocated under Section 162.5025, shall deposit ~~allocate~~ the remainder of the taxes collected under Subchapter C ~~as follows:~~

~~[(1) one fourth of the taxes shall be deposited to the credit of the available school fund; and~~

~~[(2) three fourths of the taxes shall be deposited]~~ to the credit of the state highway fund.

(b) Money deposited to the credit of the state highway fund under Subsection (a) may be appropriated only for a purpose authorized by Section 7-a, Article VIII, Texas Constitution.

*No equivalent provision.*

Same as Senate version.

(e) Section 162.505, Tax Code, is amended to read as follows:

Sec. 162.505. ALLOCATION OF LIQUEFIED GAS TAX. (a) On or before the fifth workday after the end of each month, the comptroller, after making deductions for refund purposes and for the administration and enforcement of this chapter, shall deposit ~~allocate~~ the remainder of the taxes collected under Subchapter D ~~as follows:~~

~~[(1) one fourth of the taxes shall be deposited to the credit of the available school fund; and~~

~~[(2) three fourths of the taxes shall be deposited]~~ to the credit of the state highway fund.

(b) Money deposited to the credit of the state highway fund under Subsection (a) may be appropriated only for a purpose authorized by Section 7-a, Article VIII, Texas Constitution.

*No equivalent provision.*

Same as Senate version.

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(f) Section 162.506, Tax Code, as effective September 1, 2013, is amended to read as follows:

Sec. 162.506. ALLOCATION OF COMPRESSED NATURAL GAS AND LIQUEFIED NATURAL GAS TAX.

(a) On or before the fifth workday after the end of each month, the comptroller, after making deductions for refund purposes and for the administration and enforcement of this chapter, shall deposit ~~allocate~~ the remainder of the taxes collected under Subchapter D-1 ~~as follows:~~

~~[(1) one-fourth of the taxes shall be deposited to the credit of the available school fund; and~~

~~[(2) three-fourths of the taxes shall be deposited] to the credit of the state highway fund.~~

(b) Money deposited to the credit of the state highway fund under Subsection (a) may be appropriated only for a purpose authorized by Section 7-a, Article VIII, Texas Constitution.

*No equivalent provision.*

Same as Senate version.

(g) This section takes effect January 1, 2014, but only if the constitutional amendment proposed by the 83rd Legislature, 2nd Called Session, 2013, to provide for revenue from motor fuel taxes to be used solely for constructing, maintaining, and acquiring rights-of-way for certain public roadways and to provide for the transfer of certain general revenue to the economic stabilization fund and the available school fund is approved by the voters. If that amendment is not approved by the voters, this section has no effect.

*No equivalent provision.*

Same as Senate version.

*(See Subsection (b), SECTION 2 below.)*

*No equivalent provision.*

Same as House version.

SECTION 2. (a) Chapter 316, Government Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. PRESERVATION OF SUFFICIENT BALANCE IN ECONOMIC STABILIZATION FUND

Sec. 316.091. DEFINITION. In this subchapter:

(1) "Board" means the Legislative Budget Board.

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*No equivalent provision.*

Same as House version.

(2) "Fund" means the economic stabilization fund.

Sec. 316.092. DETERMINATION OF SUFFICIENT BALANCE. (a) For the purposes of Section 49-g(c-2), Article III, Texas Constitution, before the board submits the budget as prescribed by Section 322.008(c), the board shall determine and adopt for the next state fiscal biennium a sufficient balance of the fund in an amount that the board estimates will ensure an appropriate amount of revenue available in the fund. In determining the sufficient balance for each that fiscal biennium, the board shall consider:

(1) the history of fund balances;

(2) the history of transfers to the fund;

(3) estimated fund balances during that fiscal biennium;

(4) estimated transfers to the fund to occur during that fiscal biennium;

(5) information available to the board regarding state highway congestion and funding demands; and

(6) any other information requested by the board regarding the state's financial condition.

(b) On or before October 1 of each even-numbered year, the comptroller shall provide to the board the comptroller's projection of the amounts to be transferred to the fund during the next state fiscal biennium.

*No equivalent provision.*

Same as House version.

Sec. 316.093. ADJUSTMENT OF CONSTITUTIONAL ALLOCATIONS TO FUND AND STATE HIGHWAY FUND. (a) Before the comptroller makes transfers for a state fiscal year in accordance with Section 49-g(c), Article III, Texas Constitution, the comptroller shall determine whether the sum of the balance of the fund on the preceding August 31, any projected transfer to the fund under Sections 49-g(b)

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of that article, and any projected transfer to the fund under Section 49-g(c) of that article in accordance with the allocations for the transfer as provided by Section 49-g(c-1) of that article is less than the sufficient balance adopted under Section 316.092.

(b) If the sum described by Subsection (a) is less than the sufficient balance adopted under Section 316.092, the comptroller shall adjust the allocation of amounts to be transferred to the fund and to the state highway fund as provided by Section 49-g(c), Article III, Texas Constitution, so that:

(1) the amount allocated for transfer to the fund is increased by an additional amount equal to the lesser of the remaining one-half of the sum of the amounts allocated for transfer under Sections 49-g (d) and (e) of that article or the amount necessary for the sufficient balance to be reached when considered together with other estimated transfers to the fund during the then-current fiscal year; and

(2) the amount allocated for transfer to the state highway fund is reduced by the amount of the increased allocation to the fund under Subdivision (1).

(c) If the board has not adopted under Section 316.092 a sufficient balance for the comptroller to consider under this section, the comptroller shall adjust the allocation of amounts to be transferred to the fund and to the state highway fund as provided by Section 49-g(c), Article III, Texas Constitution, so that the total of those amounts are transferred to the economic stabilization fund, except that the comptroller shall 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) of that article.

(d) As soon as practicable after the effective date of this section, the board shall determine and adopt a sufficient

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balance of the fund applicable to the transfers to be made under Section 49-g(c), Article III, Texas Constitution, for the state fiscal year beginning September 1, 2014, and a sufficient balance of the fund applicable to the transfers to be made under that section for the next fiscal biennium. The comptroller may not make the transfers required under that section for the state fiscal year beginning September 1, 2014, until the board has adopted a sufficient balance under this subsection. However, if the board has not adopted the balance before the 30th day after the effective date of this section, the comptroller shall make that transfer on the 30th day after the effective date of this section in accordance with Subsection (c) of this section. This subsection expires September 1, 2015.

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

***No equivalent provision.***  
*(See Subsection (g), SECTION 1 above.)*

Same as House version.

(b) This section takes effect immediately on the final canvass of the election on the constitutional amendment proposed by the 83rd Legislature, 2nd Called Session, 2013, to provide for the transfer of certain general revenue to the economic stabilization fund and the state highway fund and for the dedication of the revenue transferred to the state highway fund, but only if that amendment is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

SECTION 2. Subchapter G, Chapter 152, Tax Code, is amended by adding Section 152.1223 to read as follows:  
Sec. 152.1223. ALLOCATION OF CERTAIN TAX REVENUE TO STATE HIGHWAY FUND. (a)  
Notwithstanding Section 152.122, in each state fiscal year

***No equivalent provision.***

Same as Senate version.

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beginning on or after September 1, 2015, the comptroller shall deposit to the credit of the state highway fund an amount of money that is equal to 33-1/3 percent of the money that:

(1) is received under Sections 152.043, 152.045, 152.047, and 152.121 and is remaining after the comptroller makes the allocation required by Section 152.1222; and

(2) exceeds the first \$3.6 billion of money described by Subdivision (1) that is received in that fiscal year.

(b) Money deposited to the credit of the state highway fund under this section may be appropriated only:

(1) for a purpose authorized by Section 7-a, Article VIII, Texas Constitution;

(2) to repay the principal and interest on general obligation bonds issued as authorized by Section 49-p, Article III, Texas Constitution; or

(3) to pay for a function performed by or under the supervision of the Texas Department of Transportation.

SECTION 3. Section 55.002, Transportation Code, is amended by adding Subsection (e) to read as follows:

(e) The commission may use money from the Texas Mobility Fund to provide funding, including through a loan, for a port security project, a port transportation project, or a project eligible for funding under Subsection (c).

*No equivalent provision.*

Same as Senate version.

SECTION 4. (a) In this section, "biennial state taxes and fees general revenue estimate" means the amount of revenue stated in the comptroller's estimate provided in advance of the regular legislative session as required by Section 49a, Article III, Texas Constitution, that, based on the laws in effect at the time the estimate is made, is anticipated to be received by and for the state from collections of taxes and fees the revenue from which is anticipated to be deposited to the credit of the

*No equivalent provision.*

Same as Senate version.



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general revenue fund and is not set aside by law for a particular purpose or entity.

(b) On the 91st day of the state fiscal year beginning September 1, 2013, an amount of money equal to the amount by which transfers to the economic stabilization fund during the state fiscal year ending August 31, 2013, exceed the estimated amount of transfers to be made to that fund during that fiscal year as contained in the biennial state taxes and fees general revenue estimate for the state fiscal biennium ending August 31, 2013, is appropriated from the economic stabilization fund to the comptroller of public accounts for the purpose of immediately depositing that amount to the credit of the state highway fund. Money deposited to the credit of the state highway fund under this section is appropriated to the Texas Department of Transportation for the state fiscal biennium ending August 31, 2015, for the purposes of constructing, maintaining, and acquiring rights-of-way for public roadways other than toll roads.

(c) On the 91st day of the state fiscal year beginning September 1, 2014, an amount of money equal to the amount by which transfers to the economic stabilization fund during the state fiscal year ending August 31, 2014, exceed the estimated amount of transfers to be made to that fund during that fiscal year as contained in the biennial state taxes and fees general revenue estimate for the state fiscal biennium ending August 31, 2015, is appropriated from the economic stabilization fund to the comptroller of public accounts for the purpose of immediately depositing that amount to the credit of the state highway fund. Money deposited to the credit of the state highway fund under this section is appropriated to the Texas Department of Transportation for the state fiscal biennium ending August 31, 2015, for the purposes of constructing, maintaining, and acquiring rights-of-way for

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public roadways other than toll roads.

(d) This section takes effect only if:

(1) this Act receives a vote of two-thirds of the members present in each house of the legislature, as provided by Section 49-g(m), Article III, Texas Constitution; and

(2) the constitutional amendment proposed by House Joint Resolution No. 2 or similar legislation of the 83rd Legislature, 2nd Called Session, 2013, is not approved by the voters.

SECTION 5. (a) In this section, "biennial state taxes and fees general revenue estimate" means the amount of revenue stated in the comptroller's estimate provided in advance of the regular legislative session as required by Section 49a, Article III, Texas Constitution, that, based on the laws in effect at the time the estimate is made, is anticipated to be received by and for the state from collections of taxes and fees the revenue from which is anticipated to be deposited to the credit of the general revenue fund and is not set aside by law for a particular purpose or entity, including probable changes to that anticipated revenue as shown in supplemental statements submitted in accordance with Section 49a, Article III, Texas Constitution.

(b) The comptroller of public accounts shall deposit to the credit of the state highway fund an amount of money equal to the amount by which the revenue derived from state taxes and fees that is received by the comptroller in the state fiscal biennium ending August 31, 2015, exceeds the estimate of revenue contained in the biennial state taxes and fees general revenue estimate for that biennium. The amount of money deposited to the credit of the state highway fund under this section may not exceed \$2,000,000,000.

(c) This section expires September 1, 2015.

*No equivalent provision.*

Same as Senate version.

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SECTION 6. (a) A *joint committee* shall conduct a study to evaluate and make recommendations regarding the issues described by Subsection (d) of this section.

(b) The committee is composed of *eight members* appointed as follows:

(1) *four members of the senate* appointed by the lieutenant governor; *and*

(2) *four members of the house of representatives* appointed by the speaker of the house of representatives.

(c) The *speaker of the house of representatives and the lieutenant governor jointly shall designate a chair or, alternatively, designate two co-chairs from among the committee membership.*

*No equivalent provision.*

*(d) The committee shall:*

SENATE VERSION (CS)

SECTION 1. (a) Same as House version.

(b) Same as House version.

(c) Same as House version.

Same as House version.

(d) Same as House version.

CONFERENCE

SECTION 1. (a) The speaker of the house of representatives shall *appoint nine members to a House Select Committee on Transportation Funding, Expenditures, and Finance and designate one member as chair.* The lieutenant governor shall *appoint nine members to a Senate Select Committee on Transportation Funding, Expenditures, and Finance and designate one member as chair. The speaker and lieutenant governor shall make the appointments not later than November 30, 2013.*

(b) The committees established under this section may meet separately at the call of the chair of the committee or jointly at the call of both chairs. In joint meetings, the chairs shall act as joint chairs.

(c) *The committees established under this section, meeting separately or jointly, shall review, study, and evaluate:*

*(1) the future reliability of all current state transportation funding sources;*

*(2) alternatives that may increase available state funding for surface transportation, including an examination of increases to current surface-transportation-related funding streams and possible diversions of non-surface-transportation-related funding streams toward surface transportation funding;*

*(3) the use of debt financing in state transportation funding, including the uses of the Texas Mobility Fund, and the effects on long-term transportation planning of using debt financing;*

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- (1) consider whether the continued use of oil and gas production tax amounts received by this state in the fiscal year ending August 31, 1987, to determine certain amounts to be transferred to the economic stabilization fund under Sections 49-g(d) and (e), Article III, Texas Constitution, is appropriate, or whether different figures should be used when calculating amounts to be transferred to the fund;*
- (2) consider whether the current percentage allocations of certain oil and gas production tax revenue under Sections 49-g(d) and (e), Article III, Texas Constitution, are appropriate, or whether changes should be made to those allocations;*
- (3) consider whether the manner in which the limitation on*

- (4) alternative transportation funding options in use nationally and internationally;*
- (5) current and historic appropriations to the Texas Department of Transportation, including:*
- (A) whether that agency's budget structure best maximizes the application of limited public funds toward highway maintenance and construction;*
- (B) whether there are opportunities to reduce the use of money from the state highway fund by that agency for activities not related to highway maintenance and construction, including such uses as employee salaries and benefits; and*
- (C) possible benefits of developing a budget for that agency for the 2016-2017 state fiscal biennium using zero-based budgeting principles;*
- (6) the uses of the state highway fund for agencies other than the Texas Department of Transportation, including and emphasizing the use of that fund for the Department of Public Safety of the State of Texas; and*
- (7) the original purpose of the economic stabilization fund established by Section 49-g, Article III, Texas Constitution, whether that purpose remains relevant, and whether it remains appropriate to continue using the net amount of oil and gas production taxes received in the 1987 state fiscal year as the basis for making general revenue transfers to the economic stabilization fund.*

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CONFERENCE

*the balance of the economic stabilization fund under Section 49-g(g), Article III, Texas Constitution, is currently prescribed is appropriate, or whether changes should be made to the way that limitation is prescribed; and*

*(4) examine whether the constitutional provisions relating to the permissible uses of money in the economic stabilization fund and the vote requirements necessary to appropriate money from the fund for those uses are appropriate and whether changes should be made to either the permissible uses of money in the fund or the vote requirement to appropriate money from the fund.*

(e) The committee *may adopt rules necessary* to carry out the committee's duties under this section.

(e) Same as House version.

(e) The committees established under this section *may exercise any power of a committee of their respective chambers and any powers of a joint committee. For the purposes of this Act, the committees established under this section are considered a joint committee and the cost of operation of each committee may be borne in the same manner as the cost of a joint committee. The Texas Legislative Council may provide funding for the operations of the committees.*

(f) *Except as otherwise specifically provided by this section,* the committee may operate in the same manner as a joint committee of the 83rd Legislature.

(f) Same as House version.

*To the extent not inconsistent with this resolution,* the joint rules adopted by the 83rd Legislature for the administration of joint interim legislative study committees apply to the committees established under this section.

(g) Not later than November 1, 2014, the committee shall report *to the governor* and the legislature the recommendations developed by the committee under this section.

(g) Same as House version.

*(d) Following consideration of the factors described by Subsection (c) of this section, the committees established under this section shall jointly adopt recommendations related to the reviewed subjects and shall provide a written report of the committees' recommendations on the reviewed subjects to the legislature not later than November 1, 2014.*

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(h) This section expires *January 1, 2015*.

SECTION 7. The changes in law made by this Act do not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection and allocation of the revenue from those taxes.

SECTION 8. *Except as otherwise provided by this Act*, this Act takes effect on the 91st day after the last day of the legislative session.

SENATE VERSION (CS)

(h) Same as House version.

*No equivalent provision.*

SECTION 2. This Act takes effect on the 91st day after the last day of the legislative session.

CONFERENCE

(f) This section expires *January 13, 2015*.

Same as Senate version.

SECTION 3. *Except as otherwise provided by this Act:*  
*(1) this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and*  
*(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.*

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83rd LEGISLATURE 2nd CALLED SESSION - 2013**

**July 28, 2013**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB16** by Pickett (Relating to the creation and functions of legislative select committees on transportation funding, expenditures, and finance and to the preservation of a sufficient balance in the economic stabilization fund.), **Conference Committee Report**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill creates two committees to evaluate various aspects of transportation funding and also establishes a process to preserve a balance in the Economic Stabilization Fund.

The bill creates the House Select Committee on Transportation Funding, Expenditures, and Finance and creates the Senate Select Committee on Transportation Funding, Expenditures, and Finance. The committees are directed to jointly adopt recommendations with respect to various aspects of transportation financing and budgeting, the use of the State Highway Fund, and the purpose and composition of the Economic Stabilization Fund. The report is due no later than November 1, 2014.

The bill establishes a process to preserve a balance in the Economic Stabilization Fund. Prior to submitting a budget as prescribed by the constitution, the Legislative Budget Board is directed to determine and adopt a "sufficient balance of the fund in an amount that the board estimates will ensure an appropriate amount of revenue available in the fund." If the Board does not do so, then the allocation of General Revenue to the State Highway Fund as provided for in HJR 2 would cease. Should the actual balance (determined as the prior year's ending balance plus anticipated deposits) not be maintained, again the allocation of GR to the State Highway Fund provided for in HJR 2 would shift to the Economic Stabilization Fund until the balance is restored.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** UP, AG, SD, SJS

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**TAX/FEE EQUITY NOTE**

**83rd LEGISLATURE 2nd CALLED SESSION - 2013**

**July 28, 2013**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB16** by Pickett (relating to the creation and functions of legislative select committees on transportation funding, expenditures, and finance and to the preservation of a sufficient balance in the economic stabilization fund.), **Conference Committee Report**

Because the bill would not create or impact a state tax or fee, no comment from this office is required by the rules of the House as to the general effects of the proposal on the distribution of tax and fee burdens among individuals and businesses.

**Source Agencies:**

**LBB Staff:** UP, SD