

BILL ANALYSIS

Senate Research Center
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S.B. 287
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Congestion is a growing problem on Texas's highway system. The existing system is also in continued need of maintenance. Without adequate resources the Texas Department of Transportation (TxDOT) will continue to face challenges in constructing and maintaining Texas's highway infrastructure. Texas is also paying millions of dollars a year in debt service for transportation related debt.

The current gas tax is inadequate and has diminishing purchase power because it does not adjust with inflation. Additionally, as automobiles become more fuel efficient, drivers will continue to travel on the highway system yet pay less in fuel taxes. The legislature should authorize the use of a predictable, constitutionally protected, transportation related revenue stream to construct and maintain the state highway system. The revenue should not be unit-based and should be able to adjust itself with inflation.

S.B. 287 dedicates the existing sales tax on new and used automobiles to the state highway fund. Use of the sales tax will be limited to functions of the state highway fund and to pay off general revenue transportation related debt. S.B. 287 incrementally dedicates the sales tax over a ten year period. This bill gives TxDOT a predictable revenue stream which can be used to implement long range transportation plans.

As proposed, S.B. 287 amends current law relating to the allocation of certain motor vehicle sales tax revenue to the state highway fund and to the uses of that revenue.

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 Subchapter G, Chapter 152, Tax Code, by adding Section 152.1223, as follows:

Sec. 152.1223. ALLOCATION OF CERTAIN TAX REVENUE TO STATE HIGHWAY FUND. (a) Requires the comptroller of public accounts of the State of Texas (comptroller), notwithstanding Section 152.122 (Allocation of Tax), to deposit to the credit of the state highway fund the following percentages of the money received under Section 152.121 (Tax Sent to Comptroller) that is derived from the tax imposed under Section 152.021 (Retail Sales Tax) and is remaining after the comptroller makes the allocation required by Section 152.1222 (Allocation of Certain Tax Revenue to Property Tax Relief Fund):

- (1) in the state fiscal year beginning September 1, 2015, 10 percent of the remaining amount;
- (2) in the state fiscal year beginning September 1, 2016, 20 percent of the remaining amount;

(3) in the state fiscal year beginning September 1, 2017, 30 percent of the remaining amount;

(4) in the state fiscal year beginning September 1, 2018, 40 percent of the remaining amount;

(5) in the state fiscal year beginning September 1, 2019, 50 percent of the remaining amount;

(6) in the state fiscal year beginning September 1, 2020, 60 percent of the remaining amount;

(7) in the state fiscal year beginning September 1, 2021, 70 percent of the remaining amount;

(8) in the state fiscal year beginning September 1, 2022, 80 percent of the remaining amount;

(9) in the state fiscal year beginning September 1, 2023, 90 percent of the remaining amount;

(10) in the state fiscal year beginning September 1, 2024, 100 percent of the remaining amount;

(b) Authorizes money deposited to the credit of the state highway fund under this section to be appropriated only for a purpose authorized by Section 7-a (Revenues from Motor Vehicle Registration Fees and Taxes on Motor Fuels and Lubricants; Purposes for which Used), Article VIII (Taxation and Revenue), Texas Constitution, or to repay the principal and interest on general obligation bonds issued as authorized by Section 49-p (Texas Transportation Commission; Texas Highway Improvement Funds), Article III (Legislative Department), Texas Constitution.

SECTION 2. Effective date: September 1, 2013.