

BILL ANALYSIS

Senate Research Center
83R6287 JAM-D

S.J.R. 31
By: Davis
Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

With one of the fastest growing populations in the United States, maintaining mobility in Texas is a huge challenge. This situation is complicated by the fact that according to the Texas Department of Transportation, the agency needs an additional \$1 billion annually just for road maintenance and another \$3 billion annually to grow the state's road system.

For the current biennium, almost 22 percent of the available funds in Fund 006 are diverted to purposes other than acquiring rights-of-way, constructing, or maintaining public roadways. More than \$1 billion goes to fund the Department of Public Safety of the State of Texas and another \$47 million goes to other purposes and agencies. Ending diversions from Fund 006 is an important first step to addressing the transportation funding crisis in this state.

S.J.R. 31 proposes to freeze diversions at the 2014-2015 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 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. 31 proposes a constitutional amendment to limit 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 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 used 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 (Revenues from Federal Reimbursement; Purposes for Which Used) 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 is authorized to 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 a 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. Adds the following temporary provision to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, to limit the purposes for which revenue from motor vehicle registration fees, taxes on motor fuels and lubricants, and certain revenue received from the federal government are authorized to 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, 2015.

(c) Provides that this temporary provision expires September 2, 2015.

SECTION 3. Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 5, 2013. Sets forth the required language of the ballot.