

## **BILL ANALYSIS**

Senate Research Center  
84R3131 CJC-D

S.B. 5  
By: Nichols; Nelson  
Transportation  
2/10/2015  
As Filed

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

The purpose of S.B. 5 and S.J.R. 5 is to help cover the shortfall in the state highway funding program. A constitutional amendment is needed to dedicate these funds so that TxDOT can reasonably predict and plan projects six to 10 years into the future, to replace congestion and to preserve our system.

S.J.R. 5 and its enabling legislation, S.B. 5, in each fiscal year beginning September 1, 2017, dedicates the first \$2.5 billion in revenues from the existing sales tax on new and used vehicles as well as the existing rental tax on vehicles to the general revenue.

The second \$2.5 billion is dedicated to the State Highway Fund with the restriction that it could only be appropriated to construct, maintain, or acquire rights-of ways for public roadways other than toll roads. The funds could also be used to repay Proposition 12 bonds that currently are paid with general revenues funds, costing approximately \$335 million per year.

Any additional revenue in the same fiscal year that is collected above the \$2.5 billion for general revenue and the \$2.5 billion for the State Highway Fund would be divided equally between these two funds.

This method protects general revenue for the first approximately \$2.835 billion per year in the early years but also allows growth in general revenue in later years as the motor vehicle sales tax grows.

As proposed, S.B. 5 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), in each state fiscal year beginning on or after September 1, 2017, to deposit to the credit of the state highway fund all money that:

(1) is received under Sections 152.047 (Collection of Tax on Seller-Financed Sale) and 152.121 (Tax Sent to Comptroller), 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); and

(2) exceeds the first \$2.5 billion of money described by Subdivision (1) that is received in that fiscal year.

(b) Requires that money deposited to the credit of the state highway fund under this section be appropriated only to:

(1) construct, maintain, or acquire rights-of-way for public roadways other than toll roads; or

(2) 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, Texas Constitution.

SECTION 2. Effective date: September 1, 2015.