

BILL ANALYSIS

Senate Research Center
77R3243 SMJ-F

S.B. 412
By: Shapiro
Finance
2/19/2001
As Filed

DIGEST AND PURPOSE

Under current law since 1992, counties retain a portion of the vehicle registration fees equivalent to five percent of the vehicle sales tax, and send 100 percent of the vehicle sales tax to general revenue. Texas currently can only fund approximately 36 percent of needed transportation projects. Prior to 1992, 100 percent of motor vehicle registration fees funded highway construction while counties retained five percent of collected vehicle sales tax and the remaining 95 percent went to general revenue. As proposed, S.B. 412 utilizes the pre-1992 tax allocation formula and provides an additional \$100 million annually in increased transportation funding, without affecting funds retained by counties.

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 Chapter 152G, Tax Code, by amending Section 152.121 and adding Section 152.123, as follows:

Sec. 152.121. Makes a conforming change regarding new Section 152.123. Deletes language requiring the comptroller, if the amount of net collections under Chapter 502 (Registration of Vehicles), Transportation Code, is insufficient to cover the amount of those net collections authorized to be retained by a county as a percentage of the tax and penalties collected under this chapter, on request of the county tax assessor-collector to authorize the county to retain a portion of the tax and penalties collected to cover the deficiency.

Sec. 152.123. TAX RETAINED BY COUNTY. Requires that, of the taxes and penalties collected by a county tax assessor-collector under this chapter, the assessor-collector retain five percent of the tax and penalties collected by the assessor-collector under this chapter. Requires the county tax assessor-collector to retain during each calendar year an amount equal to five percent of certain stated taxes and penalties. Requires the county to credit the amounts retained under Subsection (a) to the county road and bridge fund to be used only for certain stated purposes.

SECTION 2. Amends Section 502.102(b), Transportation Code, to delete language requiring a county assessor-collector to credit to the county road and bridge fund each Monday an amount equal to five percent of the tax and penalties collected by the assessor-collector under Chapter 152 (Taxes on Sale, Rental and Use of Motor Vehicles), Tax Code, in the preceding calendar year and an amount equal to five percent of the tax and penalties collected by the comptroller under Section 152.047, Tax Code, in the preceding calendar year until the amount so credited for the calendar year equals a certain total.

SECTION 3. Repealer: Section 502.108(e) (regarding the use of registration fees that represent amounts of tax and penalties collected under Chapter 152, Tax Code, during the preceding year that

are retained by a county), Transportation Code.

SECTION 4. Effective date: September 1, 2001.