

BILL ANALYSIS

Senate Research Center
82R7761 CJC-D

S.J.R. 22
By: Nichols
Finance
4/4/2011
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Congestion is a growing problem on Texas' highway system. The existing highway 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' highway infrastructure. Texas is also paying millions of dollars a year in debt service for transportation-related services.

The current gas tax is inadequate and has diminishing purchase power because it cannot 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 with inflation.

S.J.R. 22 proposes a constitutional amendment which (if approved by voters) would dedicate the existing sales tax on new and used automobiles to the state highway fund. Use of the sales tax will be limited to the construction and maintenance of the state highway system, and to pay off general revenue transportation-related debt. Approval of this constitutional amendment will give TxDOT a predictable revenue stream which it can use to implement long range transportation plans.

S. J.R. 22 proposes a constitutional amendment dedicating certain revenue derived from the tax imposed on the sale of motor vehicles to the state highway fund.

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 Article VIII, Texas Constitution, by adding Section 7-d, as follows:

Sec. 7-d. (a) Requires that, except as provided by Subsection (b) of this section, the net revenue derived from the tax authorized by Chapter 152 (Taxes on Sale, Rental, and Use of Motor Vehicles), or its successor, and imposed on the sale of a motor vehicle sold in this state be deposited to the credit of the state highway fund and may be appropriated only for the purpose of acquiring rights-of-way, constructing and maintaining public roadways, or repaying the principal and interest on general obligation bonds issued as authorized by Section 49-p, Article III, of this constitution.

(b) Provides that Subsection (a) of this section does not apply to any revenue described by that subsection that, under general law in effect on January 1, 2011, was required to be deposited to the credit of a fund outside the general revenue fund from which money could be appropriated only for a purpose that decreases the rate of, or reduces reliance on, ad valorem taxes imposed to fund public schools. Provides that to the extent general law continues to require the deposit of

that revenue in that manner and limit the appropriation of that revenue to that purpose, the requirement and limitation prevail over Subsection (a) of this section.

SECTION 2. Provides that the following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 82nd Legislature, Regular Session, 2011, dedicating certain revenue derived from the tax imposed on the sale of a motor vehicle sold in this state to the state highway fund.

(b) Provides that the changes to Article VIII of this constitution made by this amendment take effect September 1, 2022.

(c) Prohibits the legislature, beginning with the state fiscal year beginning on September 1, 2022, from appropriating any revenue to which 7-d(a), Article VIII, of this constitution applies for any purpose other than a purpose described by Section 7-d(a), Article VIII, of this constitution.

(d) Requires the legislature, in each state fiscal year that begins on or after September 1, 2013, but before September 1, 2022, to decrease in equal increments each year the amount of revenue to which Section 7-d(a), Article VIII, of this constitution applies that is appropriated for any purpose other than a purpose described by Section 7-d(a), Article VIII, of this constitution as necessary to comply with the Subsection (c) of this temporary provision beginning September 1, 2022.

(e) Provides that this temporary provision expires September 1, 2023.

SECTION 3. Requires the proposed constitutional amendment to be submitted to the voters at an election to be held November 8, 2011. Sets forth the required language of the ballot.