



April 4, 2017

Dear Fellow Texans,

Over the past few months, the Texas Senate Finance Committee has been working tirelessly to ensure the Texas government lives within its means. We reviewed numerous state agencies, programs, and special spending items to determine how best to allocate taxpayers' hard-earned money and, more importantly, how best to save taxpayer money.

As state senators, we are keenly aware that the dollars spent by Austin belong to the citizens of Texas, the hard-working men and women that continue to make our state a rapidly growing and prosperous place to live, work, and raise a family.

Since the unanimous passing of Senate Bill 1 by the Texas Senate in a vote of 31-0, there has been a whirlwind of misinformation regarding use of taxpayer dollars under the Proposition 7 transportation transfer and we would like to set the record straight.

In 2015, Senator Nichols authored Proposition 7, which was approved by more than 83 percent of Texas voters. It directs the Legislature to transfer a portion of the sales tax revenue up to \$2.5 billion per year, after the annual sales tax collections reach a certain benchmark.

Texas operates its budget on a fiscal year calendar beginning September 1 and ending August 31 the following year. Therefore, the Texas Comptroller in a letter correctly pointed out the state can't calculate a year's worth of sales tax data when these taxes aren't collected until the end of August. Senate Bill 1 rightly assumes that annual sales tax data will be calculated in September 2019 with the transfer of transportation funding occurring after the August assessment. Despite how others have characterized it, this is common sense and a similar method used for deposits into the Rainy Day Fund within the state of Texas budget since 1988.

Simply put, you have to know the final collection numbers before the state knows what the payment will be in September.

Transportation is critically important to all areas of the state, but in particular our urban areas. Our larger cities are faced with increasingly heavy traffic due to both a strong economy and population growth. Having better roads and infrastructure impacts our safety, economy, environment and quality of life. The Texas Senate will not default on our commitment under Proposition 7 and the will of Texas voters. The Senate budget provides for the full \$4.7 billion transfer and fulfills our commitment to improving mobility in Texas.

Signed,

Sen. Paul Bettencourt

Sen. Brian Birdwell

Sen. Dawn Buckingham

Sen. Konni Burton

Sen. Donna Campbell

Sen. Brandon Creighton

Sen. Craig Estes

Sen. Bob Hall

Sen. Kelly Hancock

Sen. Don Huffines

Sen. Joan Huffman

Sen. Bryan Hughes

Sen. Lois Kolkhorst

Sen. Jane Nelson

Sen. Robert Nichols

Sen. Charles Perry

Sen. Charles Schwertner

Sen. Kel Seliger

Sen. Larry Taylor

Sen. Van Taylor