

July 31, 2013

The Honorable Rick Perry, Governor  
The Honorable David Dewhurst, Lieutenant Governor  
The Honorable Joseph R. Straus, III, Speaker of the House  
Members of the 83rd Legislature

Ladies and Gentlemen:

In accordance with my responsibilities under Article III, Section 49a of the Texas Constitution, I am informing you that the underlying economic and, in most respects, the revenue situation facing the 83rd Legislature, Third Called Session, has remained virtually unchanged over the past 30 days.

The state's oil and natural gas production taxes, however, continue to perform better than expected this fiscal year reflecting higher than forecast prices. I now project those taxes to generate an additional \$900 million in fiscal year 2013, one-quarter of which or \$225 million is available for general-purpose spending. This is in addition to the estimated \$683.1 million available for general-purpose spending and, unappropriated, in the 2014-15 biennium, which I reported to you in my letter of July 1.

The remaining three-quarters — or \$675 million — of additional severance tax revenue in fiscal year 2013 will be reserved for transfer to the Economic Stabilization Fund resulting in an anticipated transfer in November 2013, as required by the Texas Constitution, of approximately \$2.37 billion.

Sincerely,



Susan Combs

cc: Ursula Parks, Director, Legislative Budget Board

