

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 20, 2003

TO: Honorable Steve Ogden, Chair, Senate Committee on Infrastructure Development and Security

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB471 by Pickett (Relating to the borrowing of money and the issuance of notes by the Texas Transportation Commission; making an appropriation.), **As Engrossed**

Under the provisions of the bill, the maximum amount that could be borrowed at any one time would be approximately \$476 million. If amounts are loaned from the General Revenue Fund, there could be a reduction in the amount of General Revenue available for appropriation.

The bill would amend the Transportation Code to allow the Texas Transportation Commission (TTC) to authorize the Texas Department of Transportation (TxDOT) to borrow money from the State Treasury or any other source to carry out the functions of the agency. The bill would also authorize the creation of the Highway Tax and Revenue Anticipation Note Fund in the State Treasury to receive the proceeds of the notes authorized by this bill. The bill would authorize the Comptroller's Office to assist TTC with the issuance of notes and would authorize TxDOT to transfer cash in State Highway Fund to the Highway Tax and Revenue Anticipation Note Fund to ensure timely payment of the notes. The bill would implement recommendation 2.4B in a January 2001 report by the Comptroller of Public Accounts' Office, *Paving the Way: A Performance Review of the Texas Department of Transportation*.

The bill would establish guidelines and restrictions regarding loans, agreements, notes, and contracts made by TxDOT under the provisions of the bill. The bill would limit the term of a loan to a maximum of two years; require that amount of a loan would be restricted to the average monthly revenue deposited to the State Highway Fund for the 12 months preceding the month of the loan; require that a loan could not create a general obligation of the state; allow a loan to be payable from the State Treasury as authorized by legislative appropriation; and allow money in the State Highway Fund to be used for loan repayments if appropriated by the Legislature for that purpose.

Based on the analysis of the Comptroller of Public Accounts, no significant fiscal implications to the State are anticipated related to the issuance of Tax and Revenue Anticipation Notes.

Section 1 of the bill would take effect on the date on which the constitutional amendment, HJR 28, proposed by the 78th Legislature, Regular Session 2003, would take effect. If that amendment does not receive approval by the voters, the bill would have no effect.

Sections 2 and 3 of the bill would take effect September 1, 2003.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation

LBB Staff: JK, RR, RT, JO, SD, MW