

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 24, 2003

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1198 by Krusee (Relating to the establishment, designation, construction, and operation of a system of multimodal facilities to be designated as the Trans Texas Corridor.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1198, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from STATE HIGHWAY FUND 6
2004	(\$10,000,000)
2005	(\$20,000,000)
2006	(\$30,000,000)
2007	(\$40,000,000)
2008	(\$50,000,000)

Fiscal Analysis

The bill would amend the Transportation Code by adding a new chapter that would provide the Texas Transportation Commission (TTC) and the Texas Department of Transportation (TxDOT) with all powers necessary, or convenient, to construct and operate the Trans Texas Corridor. The bill would provide guidance, restrictions, and requirements and would broaden the authorities and abilities of TxDOT with respect to financing; funding projects; private investments; contributions from governmental entities; loans, grants, and reimbursements from the federal government; issuing and refunding bonds; borrowing funds, including loans from the State Infrastructure Bank; bidding and procurement processes; entering into exclusive development agreements; acquiring real property; leasing real property; accepting donations of interests in real property; establishing, assessing, collecting, depositing, and using fees; granting franchise rights; granting exclusive and non-exclusive

access licenses; accepting payments for a lease, franchise right, or license; performing environmental reviews; addressing environmental mitigation; constructing, operating, and joining facilities; designating the uses of facilities; acquiring non-highway facilities, including rolling stock or other personnel property; entering into agreements with a rail operator, public utility, private utility, communications system, common carrier, transportation system, or other entity for the common use of any facility; and participating with governmental and private entities concerning projects for the Trans Texas Corridor. The bill would also establish that bonds issued under the provisions of the bill would not constitute a debt of the state or a pledge of the faith and credit of the state.

The bill would require that the chapter created in the bill would supersede all laws governing the financing, design, construction, or operation of a state highway or turnpike for the Trans Texas Corridor if a conflict would exist between the bill and other statutes. The bill would also require that the chapter created in the bill would supersede all laws governing the acquisition of right of way for a state highway for the Trans Texas Corridor if a conflict would exist between the bill and other statutes. The bill would provide guidance, restrictions, and requirements for the TTC and TxDOT regarding public meetings and conducting, or approving, all required environmental evaluations or studies. The bill would allow the commission to establish speed limits within specifications.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect June 1, 2003.

Methodology

TxDOT indicates estimated costs noted above are conservative because actual Trans Texas Corridor locations and designs are currently undecided. TxDOT estimates the Trans Texas Corridor will require 50 to 75 years to build and anticipates that total costs will exceed \$145 billion over that period of time. For the purposes of this analysis, TxDOT has identified four priority segments that are currently being considered for use in the Trans Texas Corridor, which include proposed segments of I-35, I-37 and I-69 from Denison to the Rio Grande Valley; I-69 from Texarkana to Houston to Laredo; I-45 from Dallas-Fort Worth to Houston; and I-10 from El Paso to Orange. TxDOT estimates costs of \$10 million during the first fiscal year with costs increasing incrementally by \$10 million during each successive year from the State Highway Fund for feasibility studies, environmental studies, right-of-way acquisition, and preliminary engineering efforts would be the only costs realized in the first five years of implementation.

This analysis does not consider any fiscal implications for the issuance of bonds; loans; grants; revenues generated from allowable fees related to utilities, tolls, and rails; commercial charges; leases; right-of-way acquisition agreements; private sector involvement in projects; or any other authority, duty, or provision of the bill based on the analysis and information provided by TxDOT.

Local Government Impact

It is assumed that costs to local governmental entities for participating in the building of the Trans Texas Corridor would depend on the size and type of projects constructed and the nature of agreements entered into with TxDOT. According to TxDOT, costs associated with the acquisition, construction and operation of the Trans Texas Corridor would eventually be offset by revenue generated by utility fees, toll receipts, railroad fees and commercial charges. Although TxDOT anticipates that a significant portion of financing will come from private sector involvement, no estimates were made on private sector and state funding portions due to a lack of available information.

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

LBB Staff: JK, RR, MW, KG