

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 8, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1806 by Hill (Relating to issuance of obligations for certain highway and mobility projects.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1806, As Engrossed: a negative impact of (\$150,439,670) 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	(\$75,219,835)
2005	(\$75,219,835)
2006	(\$75,219,835)
2007	(\$75,219,835)
2008	(\$75,219,835)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>TEXAS MOBILITY FUND</i> 365	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1
2004	\$1,000,000,000	(\$75,219,835)
2005	\$0	(\$75,219,835)
2006	\$0	(\$75,219,835)
2007	\$0	(\$75,219,835)
2008	\$0	(\$75,219,835)

Fiscal Analysis

This bill would amend Subchapter M, Chapter 201 of the Transportation Code to authorize the Texas Transportation Commission (TTC) to issue not more than \$1 billion in obligations backed by the full faith and credit of the state through the Texas Mobility Fund 0365 for certain highway and mobility projects.

The bill would authorize TTC to issue bonds and enter into credit agreements relating to the obligations without regard to whether there was any or sufficient money in Fund 0365.

The bill would eliminate the requirement to secure payment of the obligations from a pledge of and a lien on all or part of any money in the fund.

The bill would eliminate the requirement for the Comptroller to certify that the amount available in the fund would be equal to 110 percent of the requirement to pay the principal and interest of any long-term or short-term obligations to be issued.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both house of the Legislature. Otherwise, it would take effect September 1, 2003.

The Department of Transportation indicated the bill appears to violate the Texas Constitution and therefore would have no **effect**.

Methodology

An analysis by the Comptroller's office assumes the issuance of \$1 billion in General Obligation bond would be a gain to Fund 0365 in 2004 with a 20-year maturity, and the debt service cost to the General Revenue Fund. The estimate assumes a debt service payment in the year of issuance. Debt service was calculated at a 4.25 percent interest rate for 20 years with annual debt service payments.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

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

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