

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 22, 2003

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

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB3085** by Puente (Relating to the acquisition, financing, construction, operation, and maintenance of rail facilities by the Texas Department of Transportation; granting the authority to issue bonds.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Transportation Code to provide the Texas Transportation Commission (TTC) and the Texas Department of Transportation (TxDOT) with the authority to plan and make policies for the location, construction, maintenance, and operation of a rail facility or system in this state. The bill would allow TxDOT to acquire, finance, construct, maintain, and operate a passenger or freight rail facility, individually or as one or more systems. For the purpose of acquiring or financing a rail facility or system, the bill would allow TxDOT to accept a grant or loan from a department or agency of the United States; a department, agency, or political subdivision of this state; or a public or private person. The bill would allow TxDOT to contract with a public or private person to finance, construct, maintain, or operate a rail facility or perform any act necessary to the full exercise of the department's powers under the provisions of the bill. The bill would allow the TTC to establish all rules necessary to implement the provisions of the bill.

The bill would authorize money in the State Highway Fund that is not dedicated under Section 7-a, Article VIII, Texas Constitution and proceeds from bonds secured by the Texas Mobility Fund and other sources to be used for the purposes of the bill. The bill would allow the TTC to issue revenue bonds for rail system purposes specified in the bill; require the repayment of any bonds issued by the TTC to be payable solely from railroad facility and system operations; and would clarify that issuances would not constitute a debt of the state or a pledge of the faith and credit of the state. The bill would allow TxDOT to collect fees and rent for the use of these rail facilities and systems and would require that all collected revenues be deposited to the State Highway Fund and used for railroad purposes.

The bill would repeal Article 6550c-2, Vernon's Texas Civil Statutes, concerning the preservation of rail facilities by TxDOT.

Based on the analysis of the TxDOT, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. It is assumed that any non-dedicated State Highway Funds used for the purposes of the bill would not be available for other transportation purposes permissible under current law; however, TxDOT does not anticipate that it will be able to use the powers and authorities provided in the bill within the next five years. TxDOT estimates that initial costs for a rail project would involve feasibility studies, environmental assessments, preliminary right-of-way determination, freight and rider studies, and proposal reviews.

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

**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

**LBB Staff:** JK, RR, MW, KG