

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 24, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR28 by Pickett (Proposing a constitutional amendment providing for authorization of the borrowing of money on a short-term basis by a state transportation agency for transportation-related projects, and the issuance of bonds and other public securities secured by the state highway fund.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$85,275.

The proposed constitutional amendment would authorize the Texas Transportation Commission (TTC) to authorize the Texas Department of Transportation to borrow from the State Treasury or other sources for transportation-related projects. The resolution would also propose a constitutional amendment to authorize the TTC to issue bonds up to \$10 billion and other public securities and enter into bond enhancement agreements that are payable from revenues deposited to the credit of the State Highway Fund. The resolution would establish requirements and guidelines for bond and public securities issuances; appropriate an amount each fiscal year from eligible revenue sufficient to pay any outstanding principal, interest, and public security or bond related costs due during each fiscal year; and would prohibit the modification of any dedication or appropriation of revenue to the State Highway Fund that would impair any outstanding bonds or public securities secured by a pledge of that revenue unless a provision would be made for the full discharge of those securities.

The proposed amendment would be submitted to voters during the election to be held November 4, 2003. By itself, this resolution would have no fiscal impact except for publication costs. However, if the enabling legislation were enacted, there could be a fiscal impact to the state, as well as possible cash flow effects. Costs related to the enactment of this resolution are provided in the cost estimate for the enabling legislation.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 601 Department of Transportation

LBB Staff: JK, RR, RT, MW