

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 27, 2005

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

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB2114 by Merritt (Relating to the creation, administration, powers, duties, operations, and financing of a border region high-speed rail authority for the Texas-Louisiana and the Texas-Mexico border regions; granting the power to issue bonds; imposing a tax; granting the power of eminent domain.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to require the Texas Transportation Commission (TTC) to authorize the creation of a high-speed rail authority in each border region for the purposes of financing, acquiring property for, constructing, maintaining, operating, and improving a high-speed rail system in each border region. The bill would establish the authorities, powers, duties, requirements, restrictions, and governing body for a high-speed authority.

The bill would exempt the property, material purchases, revenues, and income of an authority and the interest on a bond or note issued by an authority from all taxes imposed by this state or a political subdivision of this state. The bill would impose a sales and use tax on items sold on authority property; abolish all other local sales and use taxes imposed on the authority; and require the Comptroller of Public Accounts to administer, collect, and enforce a tax imposed. The bill would also establish notification requirements and would require that tax changes required by the bill take effect on the first day of the first complete calendar quarter that occurs after the expiration of the first complete calendar quarter that occurs after the date the comptroller receives a notice of the action.

Based on the analysis of the Department of Transportation, the Office of the Attorney General, and the Comptroller of Public Accounts, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect September 1, 2005.

Local Government Impact

The fiscal impact to units of local government would vary depending on the size of the local body and the services that would be provided under the provisions of the bill. It is assumed that costs to local governmental entities for participating in the creation, administration, operation, and financing of high-speed rail systems in this state would depend on the size and type of the projects that are constructed. The bill would also grant the authority the ability to establish fees, maintain rates, obtain grants, and issue bonds at a level to pay all expenses necessary for operations, maintenance, and repayment of any bond debt.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 601 Department of Transportation

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