

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 16, 2005

TO: Honorable Todd Staples, Chair, Senate Committee on Transportation & Homeland Security

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

IN RE: HB2134 by Phillips (Relating to the administration of the state infrastructure bank.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The provisions of the bill would amend the Transportation Code, relating to the administration of the State Infrastructure Bank (SIB). It would authorize the use of state funds in the Texas Department of Transportation's SIB loan program and would authorize the Texas Transportation Commission (TTC) to use state funds in the SIB for eligible local roadway projects, including facilities that are not part of the state highway system. The SIB is a separate account established in the State Highway Fund.

According to the provisions of the bill, financial assistance shall be limited, as applicable, to a qualified project that is consistent with the transportation plan developed by the metropolitan planning organization.

The provisions would authorize TTC to create sub-accounts that are capitalized with state funds only, and to exempt projects funded from these accounts from certain federal regulations. The bill would require projects receiving funds disbursed from the SIB's sub-accounts capitalized with federal funds to comply with federal requirements.

It is assumed that loans from the SIB sub-account would vary depending on the amount of state funding deposited. One scenario provided by TxDOT includes the SIB being capitalized with non-General Revenue funds. A \$100,000 loan at 4 percent interest for 10 years, with the annual repayments again loaned to others as soon as those repayments are made, the total amount of loans either paid in full or outstanding will reach \$571,000 by 2016. According to TxDOT, if the loans are to transit providers for vehicle replacement, local governments will realize savings from reduced fleet maintenance costs and increased system reliability.

Based on the analysis of TxDOT, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. Revenues deposited to the credit of the SIB would not be significant in comparison to the amount of revenues estimated to be deposited to the credit of the State Highway Fund each year.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If the bill does not receive the vote necessary for immediate effect, the bill would take effect September 1, 2005.

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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