

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 2, 2005**

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

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

**IN RE: HB2419** by Chavez (Relating to the use of the proceeds of bonds and other public securities that are secured by the state highway fund.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2419, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$0
2007	\$0
2008	\$0
2009	\$0
2010	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>New General Revenue Dedicated - High Impact NAFTA Corridor Account</i>	Probable Revenue Gain/(Loss) from <i>STATE HIGHWAY FUND - Bond Proceeds</i> 6
2006	\$120,000,000	(\$120,000,000)
2007	\$0	\$0
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0

**Fiscal Analysis**

The bill would amend Section 202.003 of the Transportation Code, related to the issuance of bonds secured by the State Highway Fund, to require that 20 percent of the proceeds from the sale of bonds or public securities issued under this section be deposited to a newly created "High Impact NAFTA Corridor Account." The bill would specify that money in the account may be used only to fund state highway projects located in high population growth areas with a high volume of commercial vehicular traffic related to international commerce.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2005.

## **Methodology**

The Texas Department of Transportation (TxDOT) anticipates the issuance of \$600 million in State Highway Fund Revenue Bonds in fiscal year 2006. Under the provisions of the bill, 20 percent or \$120 million of the bond proceeds would be deposited to the new High Impact NAFTA Corridor Account in fiscal year 2006. TxDOT has not indicated that any additional State Highway Fund bond issuances would occur in fiscal years 2007 through 2010.

Based on the analysis of the Comptroller of Public Accounts, the bill would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. Therefore, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

## **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:** JOB, SR, MW, TG