

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

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

**May 20, 2005**

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

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

**IN RE: HB2652** by Krusee (Relating to the creation of a private activity bond program for highway and surface freight facilities.), **Committee Report 2nd House, Substituted**

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

The bill would amend the Transportation Code to add Section 222.035 relating to the creation of a private activity bond program for highway facilities or surface freight transfer facilities in Texas. The bill would stipulate that the Texas Department of Transportation (TxDOT) would be required to administer the program and establish a process by which the agency and the Bond Review Board would receive and evaluate applications for the issuance of private activity bonds. This would happen only if the Texas Attorney General made a determination that the United States Congress had enacted legislation amending the Internal Revenue Code to include highway facilities or surface freight transfer facilities among the types of facilities for which private activity bonds could be used.

Financial obligations related to the issuance of private activity bonds would be the sole responsibility and liability of the private entities who become the final borrowers. Based on the analysis of the Office of the Attorney General, Comptroller of Public Accounts, and TxDOT, it is assumed duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

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.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** JOB, SR, MW, TG