

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 4, 2005

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

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

IN RE: HB2958 by Hamric (Relating to the creation of freight rail districts; granting authority to issue bonds or other similar obligations to create public debt; granting the power of eminent domain.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would authorize certain counties and municipalities to create a freight rail district. The district would be authorized to study, evaluate, design, finance, acquire, construct, maintain, repair, and operate a system of consolidated, improved, freight rail lines and other transportation projects. The district would not be allowed to impose an ad valorem tax, but would be allowed to secure and pledge revenues derived from any source to secure the payment of district bonds.

The bill would take effect immediately if it receives the required two-thirds vote in each house; otherwise, it would take effect September 1, 2005.

Local Government Impact

The bill would apply only to Harris County and the counties adjacent to Harris County. Harris County indicated that the counties would experience a positive fiscal impact as a result of passage of the bill, but was unable to quantify that impact. It is assumed that because a freight rail district would be authorized to issue bonds to meet the district's financial needs, the fiscal impact to the district would be insignificant.

Source Agencies: 352 Bond Review Board, 601 Department of Transportation

LBB Staff: JOB, SR, DLBa