

**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: 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.), **Committee Report 2nd House, Substituted**

**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, under certain circumstances and upon following certain procedures, could also exercise the powers of an intermunicipal commuter rail district.

The bill would establish the powers and procedures for the freight rail district's formation, board appointments, operation, limitations, and financing.

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 and the municipalities within those counties. 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 and in certain circumstances implement other means to meet the district's financial needs, the fiscal impact to establish and operate a district would be insignificant.

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

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