

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 24, 2005

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

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

IN RE: SJR41 by Staples (Proposing a constitutional amendment creating the Texas rail relocation and improvement fund and authorizing grants of money and issuance of obligations for financing the relocation, construction, reconstruction, acquisition, improvement, rehabilitation, and expansion of rail facilities.), **As Introduced**

No fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$66,497.

The resolution would propose an amendment to the Texas Constitution to create the Texas Rail Relocation and Improvement Fund (Fund) in the State Treasury and allow the Texas Transportation Commission (TTC) to issue and sell obligations of the state that would be payable from, and secured by a pledge of and a lien on all or part of the money on deposit in the fund, as that aggregate amount was projected by the Comptroller. The proceeds of any obligation issued would have to be deposited in the Fund and be used for specified purposes. The proposed amendment would authorize the Legislature to dedicate to the Fund one or more specific sources or portions, or a specific amount of the revenue, including taxes, and other money of the state not otherwise dedicated by the State Constitution. Obligations issued under the authority of this resolution could not be included in the computation of the limit on state debt payable from the General Revenue Fund, required by Section 49-j, Article III, of the State Constitution. Except that if money had been dedicated to the Fund without specification of its source or the obligations had been found by the Attorney General to be incontestable for any cause, the obligations would be included to the extent the Comptroller projected that general funds of the state, if any, would be required to pay amounts due on or on account of the obligations.

The proposed amendment would allow the Legislature, by law, to authorize TTC to guarantee the payment of any obligations issued and executed by TTC under the authority of this resolution by pledging the full faith and credit of the state to those payments. If that authority is granted, the proposed amendment would require an appropriation and deposit to the Fund, out of the first money coming into the State Treasury in each fiscal year that is not otherwise appropriated by the constitution. The amount would be sufficient to pay the principal and interest on the obligations that become due during that fiscal year, minus any amount in the Fund that is available for those payments.

Costs related to the enactment of this resolution are provided in the cost estimate for the enabling legislation. The proposed constitutional amendment would take effect if approved by voters at an election to be held November 8, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 352 Bond Review Board, 304 Comptroller of Public Accounts, 601 Department of Transportation

LBB Staff: JOB, SR, MW, TG