

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 2, 2007

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

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

IN RE: HJR94 by Hill (Proposing a constitutional amendment providing for use of a portion of the money in the Texas Mobility Fund for mass transit projects.), **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 \$77,468.

The resolution would propose a constitutional amendment to specify that at least 20 percent of the money dedicated to the Texas Mobility Fund must be used to make grants to municipalities to finance mass transit projects and would require a municipality to dedicate an amount of its own money equal to the amount of the grant to be eligible for the grant. The proposed constitutional provision would require the Legislature to establish the procedures and may establish additional eligibility requirements for the grants.

Article III, Section 49-k (f) of the Texas Constitution requires that money dedicated to the Texas Mobility Fund must be deposited in the fund when it is received by the state and appropriates the funds for purposes provided by the Texas Constitution and law without further appropriation by the Legislature.

Based on the analysis of the Comptroller of Public Accounts, the proposed amendment could direct a substantial portion of Texas Mobility Fund revenues now dedicated to debt service to a new grant program for mass transit.

In any fiscal year where dedicated revenues and fund balances in Texas Mobility Fund are insufficient to make all payments when due on any outstanding and unpaid bonds, notes, other obligations, or credit agreements, Article III, Section 49-k (g) of the Texas Constitution: (1) requires that the first money coming into the state treasury in each fiscal year that is not otherwise appropriated by the constitution, be deposited to the credit of the Texas Mobility Fund in an amount sufficient to pay the principal of the obligations and agreements and the interest on the obligations and agreements that become due during that fiscal year, less any amount in the fund that is available for that payment in accordance with applicable law; and (2) appropriates these funds.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation

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