

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 23, 2007

TO: Honorable John Carona, Chair, Senate Committee on Transportation & Homeland Security

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

IN RE: SB1795 by Ogden (Relating to the amount of bonds and other public securities that may be secured by a pledge of and payable from revenue deposited to the credit of the state highway fund.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1795, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from STATE HIGHWAY FUND 6	Probable (Cost) from STATE HIGHWAY FUND 6
2008	\$1,500,000,000	(\$1,630,160,000)
2009	\$1,500,000,000	(\$1,760,320,400)
2010	\$0	(\$263,319,600)
2011	\$0	(\$260,317,400)
2012	\$0	(\$260,316,300)

Fiscal Analysis

The bill would amend the Transportation Code to increase the aggregate principal amount of State Highway Fund bonds or other public securities issued by the Texas Transportation Commission from \$3 billion to \$6 billion and increase the amount that may be issued by the commission each year from \$1 billion to \$1.5 billion. The bill would also increase from \$600 million to \$1.2 billion the portion of the aggregate principal amount of the State Highway Fund bonds required to fund projects that reduce accidents or correct or improve hazardous locations on the state highway system.

The bill would take effect on September 1, 2007.

Methodology

Based on the analysis of the Bond Review Board, this estimate assumes \$1.5 billion in State Highway Fund bonds would be issued in 2008 and 2009 for a total issuance of \$3 billion in the 2008-09 biennium; bond debt service would be supported by available revenues in the State Highway Fund; the bonds would have a 20-year maturity at a fixed interest rate of 6 percent; the bonds would be issued on September 1, 2007, and September 1, 2008, with principal payments every August 1st and semi-annual interest payments every February 1st and August 1st, beginning in February 1, 2008; the cost of issuance and bond insurance fees are excluded; approximately level debt service payments over the life of the bonds; and bond proceeds would be expended by the Texas Department of Transportation in the year received.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 352 Bond Review Board, 601 Department of Transportation

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