

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

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

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

IN RE: SJR67 by Ogden (Proposing a constitutional amendment authorizing the legislature to permit the Texas Transportation Commission, subject to legislative review and approval, to designate the area adjacent to a state highway project as a transportation finance zone and dedicating the proceeds of the state sales and use taxes imposed in a transportation finance zone to the Texas Mobility Fund for certain purposes.), **As Engrossed**

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 an amendment to Section 49-k, Article III of the Texas Constitution to authorize the Legislature to permit the Texas Transportation Commission (TTC), subject to legislative review and approval, to designate an area adjacent to a state highway project as a transportation finance zone and to dedicate the proceeds of the state sales and use taxes imposed in a transportation finance zone to the Texas Mobility Fund for the payment of principal and interest on obligations or other credit agreements in connection with a state highway located in the transportation finance zone. The proposed amendment would authorize the Legislature to limit the amount of money the comptroller may deposit to the credit of the Texas Mobility Fund under the provisions of the amendment. The amendment would also authorize the Legislature to allow TTC to guarantee the payment of any applicable obligations by pledging the full faith and credit of the state.

According to the Comptroller of Public Accounts, the proposed amendment would dedicate revenue from taxes imposed on the first sale or use of a taxable item within a transportation finance zone to an account in the Texas Mobility Fund. Based on the analysis of the Comptroller of Public Accounts CPA, it is assumed the provisions of the proposed amendment could result in a loss of revenue to the General Revenue Fund and an increase in revenue to the Texas Mobility Fund depending on the number of transportation finance zones designated by TTC and approved by the Legislature.

The proposed constitutional amendment would be submitted to voters at an election to be held on November 6, 2007.

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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