

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 29, 2009

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

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

IN RE: SB1923 by Watson (Relating to funding sources for the Texas rail relocation and improvement fund.), **As Introduced**

Contingent upon the Comptroller issuing a certification that revenue and appropriations measures enacted by the Eighty-first Legislature produce a biennial net gain to the State Highway Fund over the 2008-09 biennium, the bill could result in a negative revenue impact to the State Highway Fund and a corresponding positive revenue impact to the Texas Rail Relocation and Improvement Fund.

The bill would amend the Transportation Code to establish the rail relocation advisory group, which would consist of stakeholders in the railroad industry appointed by the chair of the Senate Committee on Transportation and Homeland Security and by the chair of the House Committee on Transportation. The Texas Department of Transportation (TxDOT) would be required to provide administrative support, including staff, as necessary to assist the advisory group in accomplishing its duties as specified by the bill.

The bill would amend various provisions in the Transportation Code related to the disposition of certain fees to require the fees to be deposited to the Texas Rail Relocation and Improvement Fund (TRRIF) rather than the State Highway Fund under current law. The affected fees would include ferry sticker fees; salvage vehicle title and rebuilder fees; license plate fees for cotton vehicles and forestry vehicles; certain administrative fees relating to a permit for excess axle weight or gross vehicle weight and other heavy equipment transport fees; and highway maintenance fees for heavy equipment. The bill also would amend Section 2301.156, Occupations Code, relating to the disposition of certain fees relating to the regulation of the sale or lease of motor vehicles by requiring the fees to be deposited to the TRRIF rather than the State Highway Fund.

The bill would require TxDOT, no later than 60 days after the effective date of the bill, to report to the Legislative Budget Board and the Governor's Office of Budget and Planning on the availability of funds under federal matching programs for the rail relocation program. Not later than January 1, 2011, TxDOT would be required to submit a report to the Governor and to the chairs of the House and Senate committees on transportation regarding the progress of the rail relocation program as specified by the bill. The bill would require TxDOT, in coordination with the Comptroller, to produce recommendations for supplemental revenue sources for the TRRIF for consideration by the Eighty-second Legislature.

The bill would take effect on September 1, 2009, if the Comptroller files a certification with the Secretary of State that revenue and appropriations measures of the Eighty-first Legislature produce a net gain to the State Highway Fund in the 2010-11 fiscal biennium over the 2008-09 fiscal biennium. Otherwise, the bill would have no effect.

Based on the analysis of TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

It is assumed the provisions of the bill relating to the deposit of fees to the TRRIF instead of the State Highway Fund would result in a negative revenue impact to the State Highway Fund and a

corresponding positive revenue impact to the TRRIF only if the Comptroller files a certification that the Eighty-first Legislature has taken appropriation or revenue actions that result in a net gain to the State Highway Fund for 2010-11 over the 2008-09 biennium.

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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