

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 12, 2011

TO: Honorable Larry Phillips, Chair, House Committee on Transportation

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

IN RE: HB3218 by Phillips (Relating to the administration, financing, and use of the State Infrastructure Bank.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time because the implications of the State Infrastructure Bank being transferred outside the Treasury and the amount of any application fee and the number of entities requesting financial assistance from the bank that would pay the fee is unknown.

The bill would amend various provisions of Subchapter D, Chapter 222, of the Transportation Code relating to the State Infrastructure Bank (SIB). The bill would establish the SIB as an account held in the Texas Treasury Safekeeping Trust Company. The bill would specify sources of funds that the Texas Transportation Commission (commission) may deposit to the fund, including certain bond proceeds and proceeds from the sale of loans made from money in the SIB as authorized by the bill. The bill would require the commission to file a biennial report to certain state elected officials and the Legislative Budget Board providing information specified by the bill regarding the operation of the SIB. The bill would authorize the use of money in the SIB to provide financial assistance to the Texas Department of Transportation (TxDOT); provide liquidity enhancement through an agreement to purchase bonds, notes, or other obligations from a public entity; and for certain other purposes specified in the bill.

The bill would authorize the commission to require a public or private entity to pay an application fee and other reasonable amounts for a request for financial assistance provided from the SIB and would require this revenue to be deposited to the State Highway Fund. The bill would require TxDOT to monitor the use of financial assistance provided to a public or private entity to ensure it is used for purposes authorized by law.

The bill would require the Office of the Attorney General (OAG) to review and approve the commission's records authorizing the issuance, execution, and delivery of SIB revenue bonds, credit agreements, and any related contracts authorized under Section 222.075, Transportation Code. The bill would authorize proceeds from the sale of revenue bonds to be used to finance other funds or accounts relating to the bonds or credit agreement, including a debt service reserve fund and to pay the cost of issuance. The bill would authorize the commission to sell any loans made from money in the SIB and require the proceeds of the sale to be deposited into the SIB. The bill would authorize the commission to submit to OAG any financial assistance agreement related to any loans to be sold under the provisions of the bill.

The Comptroller of Public Accounts (CPA) reports that the fiscal implications of moving the SIB out of the State Highway Fund and into the Texas Treasury Safekeeping Trust Company cannot be determined at this time. CPA reports that the fiscal impact on the State Highway Fund from authorizing TxDOT to collect an application fee from any entity requesting financial assistance from the bank cannot be determined because the amount of any fee or number of entities that would pay it is unknown. Based on the analysis of OAG and TxDOT it is assumed any costs resulting from requirements of the bill could be absorbed within existing resources.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. Legislative policy, implemented as Government Code, Section 403.094, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993 and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, KJG, MW, TG, MM