

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

Revision 1

April 20, 2011

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

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

IN RE: SB650 by Hegar (Relating to management of certain metropolitan rapid transit authorities.),
As Engrossed

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to implement recommendations from the Sunset Commission for the Capital Metropolitan Transportation Authority (Capital Metro). The bill would require the Capital Metro board to annually adopt a five-year capital plan; and adopt and annually reevaluate a strategic plan.

The bill also would require the board to maintain a reserve equal to at least two months of operating expenses at the beginning of the fiscal year to be established not later than September 1, 2016. The board would be required to adopt a comprehensive rail safety plan that would be implemented by the general manager; and to regularly report on rail system safety to the Texas Department of Transportation. Capital Metro would be required to competitively bid and purchase all transit services not directly provided by its own employees.

Capital Metro would be authorized to issue bonds at any time for any amounts it considers necessary or appropriate for managing or funding self-insurance or for retirement or pension fund reserves for pension plans existing as of January 1, 2011.

Local Government Impact

According to the Sunset Commission, the only section of the bill expected to have a significant fiscal impact is the requirement of competitive bidding. Based on estimates, Capital Metro could experience a net savings of \$11,800,000 in fiscal year (FY) 2013; \$16,200,000 in FY 2014–15; and \$22,200,000 in FY 2016. Capital Metro would need to add three full-time employees for FY 2012 and seven full-time employees for FY 2013–16.

Source Agencies: 116 Sunset Advisory Commission

LBB Staff: JOB, KJG, TP, SD