

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION
Revision 1

March 13, 2019

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: SB365 by Watson (Relating to bonds issued by certain metropolitan rapid transit authorities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Transportation Code relating to the terms of bonds issued by certain metropolitan rapid transit authorities.

Local Government Impact

According to the Capital Metropolitan Transit Authority (CapMetro), the bill would result in a significant, positive fiscal impact for the authority. The provisions of the bill would allow CapMetro to purchase facilities, rather than lease them, and this purchase would result in savings on both a cash-flow basis and a residual asset basis. Using as an example a proposed paratransit operations and maintenance project, financed over 15 years or leased over 20 years, the bill would result in \$20,583,609 in cash flow savings and a further \$121,402,089 in residual assets compared to a leasing alternative.

Source Agencies: 352 Bond Review Board, 601 Department of Transportation

LBB Staff: WP, JGAn, SD, GP