

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**February 28, 2003**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Infrastructure Development and Security

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: SB404** by Madla (Relating to advanced transportation districts.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Chapter 451 of the Transportation Code to expand the definition of "advanced transportation" and to create a definition for "mobility enhancement."

The bill would allow the board of a transportation authority in which the sales and use tax is imposed at a rate of 0.5 percent and in which the principal municipality has a population of more than 700,000 to create an advanced transportation district and to impose a sales and use tax for advanced transportation and mobility enhancement. The rate of the sales and use tax would be set at 0.125 percent, 0.25 percent, 0.375 percent, or 0.5 percent. Currently, the board of an authority may create an advanced transportation district within its boundaries and impose a sales and use tax at a rate of 0.25 percent.

The proceeds from the sales and use tax would be dispersed for advanced transportation and mobility enhancements across the district and within the specific units that make up the district.

The Comptroller's Office estimates there would be an administrative cost of \$137,000 in fiscal 2004 that reflects the funds that would be necessary to notify taxpayers via the Legislative Update, to write new rules, and to create publications.

The Comptroller's Office estimates there would be a technological cost of \$4,600 for fiscal 2004 and \$2,300 for fiscal 2005 and onward for additional phone calls.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

**Local Government Impact**

At the current time, this bill only would apply to the transportation authority in the city of San Antonio. However, it is not known if an advanced transportation district would be created, the sales and use tax rate that would be adopted, or when the taxes would be adopted. Therefore, any fiscal impact cannot be determined. In calendar 2002, the San Antonio Metropolitan Transit Authority, which levies a 0.5 percent sales and use tax, was allocated approximately \$69 million in sales and use tax revenue. It is estimated that if the San Antonio transportation authority were to adopt the maximum rate allowed under the bill, a rate of 0.5 percent, there would be a similar fiscal impact of about \$69 million in additional revenue per fiscal year. However, the current combined state and local sales tax rate in San Antonio is 7.875 percent, allowing the San Antonio transportation authority to adopt a maximum additional rate of only .375 percent, which, if adopted, would bring in about \$52 million in additional revenue per fiscal year.

Note: According to Section 451.405 of the Transportation Code, an authority may not adopt a sales and use tax rate, including a rate increase, that, when combined with the rates of all sales and use taxes imposed by all other political subdivisions having territory within the authority, causes the total local tax rate to exceed 2 percent in any location within the authority.

**Source Agencies:** 304 Comptroller Of Public Accounts, 601 Department Of Transportation

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