

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 27, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB487 by Ogden (Relating to the relocation of utilities required for the improvement of the state highway system.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to require a utility to enter into negotiations with the Texas Department of Transportation (TxDOT) to establish reasonable terms and conditions concerning the responsibilities of both parties if TxDOT determines that a facility of a utility must be relocated to accommodate improvement of the state highway system. The bill would require that the agreement would govern the relocation of the facility, if the agreement is reached after negotiations. The bill would require that if both parties do not enter into an agreement, that TxDOT would provide the utility written notification stating the determination that the facility must be removed; a final plan for relocation of the facility; and reasonable terms and conditions for an agreement with the utility for the relocation of the facility. The bill would require a utility to enter an agreement with TxDOT no later than 90 days after the date that a utility would receive written notification from TxDOT of these things. The bill would allow TxDOT to relocate the facilities at the sole cost and expense of the utility, if the utility fails to enter into an agreement within that 90-day period. The bill would also allow the 90-day period to be extended by mutual agreement between the department and the utility or for any period of time during which the utility is negotiating in good faith with TxDOT to relocate its facility.

Based on the analysis of the TxDOT, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources. Although TxDOT assumes that a savings of approximately \$5.2 million for the State Highway Fund would be realized each year due to contract cost reductions associated with utility adjustments, it is assumed that any savings realized would be used for other eligible transportation related expenditures.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2003.

Local Government Impact

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

Source Agencies: 601 Department of Transportation

LBB Staff: JK, RR, MW, RT