

BILL ANALYSIS

H.B. 649
By: Krusee
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law (§ 222.103), The Texas Department of Transportation (TxDOT) is permitted to participate in the cost of the acquisition, construction, maintenance or operation of a toll facility. This participation is limited to \$800 million per year for any funds that will not be paid back to TxDOT. Financial participation by TxDOT in a toll facility without the requirement of repayment is known as “toll equity”.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Chapter 222, Subchapter E, Transportation Code by repealing § 222.103(h). The effect of this change is to remove the toll equity cap of \$800 million. This change allows TxDOT greater flexibility in leveraging state transportation dollars. Toll equity is a necessity in light of the fact that a single urban highway project can easily cost hundreds of millions of dollars and few toll projects can be financed exclusively through toll proceeds. The \$800 million cap could prevent a desired and needed project from proceeding by prohibiting a state investment in the project. By removing the toll equity cap, TxDOT can help advance a greater number of transportation projects around the state. This bill will not affect any of the procedures required of TxDOT in assessing a roadway's toll viability nor will it diminish public participation in the process.

EFFECTIVE DATE

Upon passage , or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.