

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

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

IN RE: HB1741 by Seaman (Relating to the creation by certain municipalities and powers of regional mobility authorities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The provisions of the bill amend the Transportation Code to authorize certain municipalities with a population of 5,000 or less and in which a ferry system that is part of the highway system is located to establish a Regional Mobility Authority (RMA). The RMA could charge a permanent toll for use of a ferry system and create a priority boarding system.

The Texas Department of Transportation (TxDOT) indicates Port Aransas would establish an RMA and would take on the operations and maintenance of the ferry system at Port Aransas. This analysis assumes that the ferry system at Port Aransas would be conveyed to the RMA based on the analysis of TxDOT.

It is estimated that there would be savings from a reduction of 61 FTEs associated with the conveyance of the ferry system at Port Aransas and \$3,461,198 in related annual salary and benefit savings from State Highway Fund 06. TxDOT estimates that it would save \$4,381,096 million in operating expenses in fiscal year 2006 and \$4,468,718 in fiscal year 2007 from State Highway Fund 06 because it would no longer need to operate and maintain the ferry system at Port Aransas.

Fiscal year 2005 operating budget figures were used as the basis for the fiscal year 2006, and costs were increased by 2 percent per year thereafter. TxDOT also reports a savings of \$3.7 million from State Highway Fund 06 in planned capital improvements annually for fiscal years 2006 and 2007 because TxDOT would not pay for the construction of two new landings on each side of the ferry system and for bulkhead replacements. TxDOT would also save \$18 million from State Highway Fund 06 because TxDOT would not have to pay for planned capital improvements with the purchase of six new ferries at Port Aransas. It is assumed that any savings achieved from the conveyance of ferries to local entities would be spent on other transportation related projects by TxDOT and would therefore not have a significant fiscal impact.

The provisions of the bill would also allow an RMA to establish a system under which an owner of a motor vehicle may pay an additional fee or toll that entitles the vehicle to have priority in boarding a ferry operated by the authority. This provision is not estimated to have a fiscal impact because the TxDOT reports that no revenue is currently being generated from the sale of priority boarding stickers at Port Aransas, which is permissive under current law, since they are not being used.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If the bill does not receive the vote necessary for immediate effect, the bill would take effect September 1, 2005.

Local Government Impact

Costs to the eligible municipalities (Port Aransas and Port Boliver) to create a regional mobility authority and agree to assume responsibility for the affected ferry systems would depend on the size of

the local entity and the types of services offered. It is assumed that a local entity would agree to accept the terms of a conveyance only if sufficient funding was available.

According to TxDOT, Port Aransas would assume the annual operating and maintenance costs for the Port Aransas Ferry System, currently estimated at \$4.38 million per year. There are also planned capital improvements totaling \$4.5 million, to be expended over two years. The total cost to the city would be approximately \$9 million in fiscal year 2006, \$5.4 million in fiscal year 2007, \$5.5 million in fiscal year 2008, and \$5.6 million in fiscal years 2009 and 2010.

Source Agencies: 601 Department of Transportation

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