

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 2, 2005**

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

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

**IN RE: HB1764** by Van Arsdale (Relating to requiring the use of certain highway toll revenue for certain purposes.), **As Introduced**

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

The bill would amend the Transportation Code to require that toll revenues collected from a conveyed road must be used only in the county in which the revenue was collected and must be used only for construction or maintenance of a portion of the same highway or for a road connecting to that highway.

The bill would repeal Subsection 284.009(f) and (h) of the Transportation Code (as added by Chapter 953, Acts of the Seventy-eighth Legislature, Regular Session 2003), resulting in removing authority for a county or toll road authority in certain counties from using collected toll revenue for a transportation project or an air quality project.

The bill would take effect immediately if it receives the required two-thirds vote in each house; otherwise, it would take effect September 1, 2005.

Although current statute authorizes the Texas Transportation Commission to convert a segment of free highway to a toll road and to convey a segment of free highway to a county or a toll authority, the Texas Department of Transportation reports that by agency policy, nontoll roads have not been converted to toll roads, nor are there plans for such conversion; therefore, the agency anticipates no fiscal impact as a result of the bill should it pass.

**Local Government Impact**

If a county currently operates a toll road and uses the toll revenue for a transportation project or an air quality project, implementation of the bill would result in a loss of revenue for funding those projects, although the revenue could offset costs related to the uses required by provisions of the bill. The fiscal impact would vary by applicable county, depending on what, if any, projects may lose the toll as a revenue source.

Counties in which a toll road is operated were contacted regarding the fiscal impact of the bill. Only Harris County responded. Harris County (population 3.4 million) reports that the Harris County Toll Road Authority (HCTRA) retains its toll collections for use on projects it defines and contracts to complete and that a portion of the toll collections are transferred for use by the four precincts within the county for roadways and bridges serving those respective areas of the county. The county indicates that if all tolls collected must be spent only on the affected segment of toll road, it would have to issue bonds to fund the other projects and issue debt if tolls fall short in an area needing maintenance or repair, even if tolls in another area exceed needs for that segment of road.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** JOB, SR, MW, TG, DLBa