

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 28, 2005

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

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

IN RE: HB2623 by Phillips (Relating to the distribution by the Texas Department of Transportation of certain assistance for the repair and maintenance of county roads.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2623, As Introduced: a negative impact of (\$9,099,512) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$4,549,756)
2007	(\$4,549,756)
2008	(\$4,549,756)
2009	(\$4,549,756)
2010	(\$4,549,756)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/(Cost) from <i>APPROPRIATED RECEIPTS 666</i>	Probable Revenue Gain/ (Loss) from <i>APPROPRIATED RECEIPTS 666</i>
2006	(\$4,549,756)	\$620,128	(\$620,128)
2007	(\$4,549,756)	\$620,128	(\$620,128)
2008	(\$4,549,756)	\$620,128	(\$620,128)
2009	(\$4,549,756)	\$620,128	(\$620,128)
2010	(\$4,549,756)	\$620,128	(\$620,128)

Fiscal Analysis

The provisions of the bill would amend the Transportation Code by including assistance with "equipment" among the ways the Texas Department of Transportation (TxDOT) may assist counties to repair and maintain county roads. Currently TxDOT provides materials to the counties.

The provisions of the bill specify that Chapter 2175, Government Code (Surplus and Salvage Property), would not apply to the distribution of assistance by TxDOT to counties to repair and maintain county roads.

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, 2005.

Methodology

Based on the Building and Procurement Commission (TBPC) data, the calculations assume a 100 percent loss of TxDOT surplus revenue to General Revenue, as the provisions of the bill allows for counties to obtain a minimum of \$6 million in materials and equipment, which is more than TxDOT sells annually in surplus property.

The estimated revenue for fiscal year 2005 is based on the average monthly sales for September 2004 through February 2005. The revenue loss to Appropriated Receipts reflects the loss of the TBPC purchaser fee (used to fund the operation of the program) associated with the sales of TxDOT surplus property. The fiscal year 2005 estimated purchaser fee is based on the average monthly purchaser fee revenues for September 2004 through February 2005. The increase to Appropriated Receipts reflects the fact the program would reduce its expenditures by the same amount.

Local Government Impact

The fiscal impact to counties would depend on the materials and equipment available to the department for distribution, and which counties that applied, were awarded, and accepted a disbursement.

Source Agencies: 302 Office of the Attorney General, 303 Building and Procurement Commission, 304 Comptroller of Public Accounts, 601 Department of Transportation

LBB Staff: JOB, SR, MW, DE, KJG