

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 16, 2005

TO: Honorable Todd Staples, Chair, Senate Committee on Transportation & Homeland Security

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

IN RE: HB2650 by Krusee (Relating to local government participation in the financing of turnpike projects.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would authorize a local government to enter into an agreement with the Texas Department of Transportation (TxDOT) or a private entity. Under the agreement, the local government would assist in the financing of the construction, maintenance, and operation of a turnpike project located in the government's jurisdiction in return for a percentage of the revenue from the project. The local government would be allowed to use any revenue available for road purposes, including bond and tax proceeds, to provide financing for a turnpike project covered by the agreement. An agreement with a private entity would first require approval by TxDOT. The bill would take effect September 1, 2005.

According to TxDOT, the savings in the cost of building the project would offset the loss of toll revenue that is provided back to locals and would depend on the amount of revenue the department agrees to reimburse to the local entity.

Local Government Impact

It is assumed that a local government would enter into an agreement to assist with the financing of turnpike projects only if the entity had sufficient revenue and would incur a benefit. Receipt of a portion of the toll revenue would help offset the local government's costs. The fiscal impact would vary by local government and would depend on the agreement reached, including what portion of the toll revenue would be returned to the local government.

Source Agencies: 601 Department of Transportation

LBB Staff: JOB, SR, DLBa