

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**April 18, 2005**

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

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

**IN RE: HB2702** by Krusee (Relating to the construction, acquisition, financing, maintenance, management, operation, ownership, and control of transportation facilities and the progress, improvement, policing, and safety of transportation in this state.), **As Introduced**

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

This bill would amend various provisions in the Transportation Code to provide the Texas Transportation Commission (TTC) and the Texas Department of Transportation (TxDOT) additional flexibility to acquire, finance, maintain, manage, operate, own, and control transportation facilities in Texas.

The bill would clarify and specify procedures to be used by TxDOT to enter into and operate in Comprehensive Development Agreements for the purpose of providing rail transportation facilities. The bill would remove the annual ceiling of \$12.5 million that can be disbursed from the State Highway Fund for rail facilities.

TxDOT would be authorized to enter into pass-through fare agreements with a public or private entity that would reimburse, from any available funds, the public or private entity for costs incurred in the acquisition, design, development, financing, construction, relocation, maintenance, or operation of a passenger, or freight rail facility. The bill would require the TTC to develop criteria and adopt rules for determining the amount of pass-through fares to be paid.

The bill would authorize TxDOT to construct a state highway project and be reimbursed by a public or private entity under a pass-through toll agreement.

TxDOT, a regional mobility authority, a regional tollway authority, or a county acting under Chapter 284 would be authorized to enter into an agreement for the payment of pass-through tolls to an authority or county, for maintaining a highway or portion of a state highway transferred to the mobility authority or county and converted to a toll facility.

The bill would authorize the payment to TxDOT of pass-through tolls by an authority or county as reimbursement for all or a portion of the costs incurred by the department to design, develop, finance, construct, and maintain a state highway or portion of a state highway transferred to the authority or county and converted to a toll facility. The bill would require that money repaid to TxDOT be deposited to the credit of the fund from which the money was originally provided.

The bill would specify that toll revenue collected or received by TxDOT be deposited in the State Highway Fund, except for funds received from toll revenue bonds issued to pay for all or part of the cost of a toll project and toll revenue collected from non-tolled highways converted to toll roads.

The bill would repeal the annual cap of \$25 million on amounts that TxDOT may disburse out of state and federal funds for the construction or purchase of non-highway facilities on the Trans-Texas Corridor.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house; otherwise, the bill would take effect September 1, 2005.

The bill would authorize TxDOT to reimburse, through pass-through-fare agreements, public or private entities for costs they incurred in the acquisition, design, development, financing, construction, relocation, maintenance, or operation of a passenger, or freight rail facility. Current law allows a private or public entity to construct state highway projects and be repaid by TxDOT, using any available funds, through the pass-through toll method, which is defined in statute as a per vehicle fee or a per vehicle mile fee that is determined by the number of vehicles using the highway. A pass-through toll agreement can be used on non-toll or toll roads. This analysis does not reflect the fiscal implications related to pass-through fares because no information was provided by TxDOT to indicate that any pass-through fare agreements would be implemented within the next five years.

This analysis does not reflect revenues associated with the payment to TxDOT of pass-through tolls as a reimbursement for costs incurred to design, develop, finance, construct, or maintain a state highway or portion of state highway that is transferred to a regional mobility authority or a county and converted to a toll facility because it is assumed any such revenues would be utilized for other transportation related purposes.

No fiscal implications are anticipated from the repeal of the \$25 million cap on annual disbursements for the construction of non-highway facilities on the Trans-Texas Corridor.

### **Local Government Impact**

It is assumed that costs to local governmental entities for participating in the creation, administration, operation, and financing of transportation systems in this state would depend on the size of the local body and the size and type of projects that are constructed. Costs associated with the bill would eventually be offset by revenue generated by tolls, fees, donations, or other sources.

**Source Agencies:** 304 Comptroller of Public Accounts, 601 Department of Transportation

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