

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

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

**April 4, 2005**

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

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

**IN RE: HB2705** by Krusee (Relating to the authority of counties to issue bonds to construct, maintain or operate toll or nontoll facilities on the State highway system.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would add a chapter to Subtitle I, Title 9 of the Government Code to authorize Texas counties to issue bonds to construct, maintain, or operate toll or non-toll facilities on the Texas highway system. The bill would authorize counties to issue bonds, with a maximum maturity of 40 years, to fund the design, development, construction, maintenance, operation, extension, or improvement of a toll or non-toll improvement or facility on the state highway system in the county, or as a continuation of such improvement or facility in adjacent counties. The bill would authorize the county to pledge, for the payment of bonds issued pursuant to the new chapter, revenues from any available source, including payments received under agreements with the Texas Department of Transportation (TxDOT), and including pass-through toll agreements.

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.

Current statute does not allow counties to issue bonds to construct, maintain, or operate toll or non-toll facilities on the state highway system. However, current law does allow 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. A pass-through toll 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-tolled or tolled roads. Under provisions of the bill, counties could issue bonds for transportation facility projects on the state highway system and could pledge revenues from any source, including pass-through toll agreements with TxDOT, to pay the bonds.

TxDOT assumes the agency would experience an increase in pass-through toll applications as a result of implementation of the provisions of the bill, but that the agency could absorb an increase in related workload using existing resources.

**Local Government Impact**

The overall cost implications to the counties would depend on the timing and amounts of county bond issuances and the extent, if any, of the use of pass-through agreements.

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

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