

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 22, 2005

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

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

IN RE: SB1089 by Madla (Relating to the distribution by the Texas Department of Transportation of certain assistance for the repair and maintenance of county roads.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1089, Committee Report 1st House, Substituted: a negative impact of (\$400,000) 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	(\$200,000)
2007	(\$200,000)
2008	(\$200,000)
2009	(\$200,000)
2010	(\$200,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from GENERAL REVENUE FUND 1	Probable Savings/(Cost) from APPROPRIATED RECEIPTS 666	Probable Revenue Gain/ (Loss) from APPROPRIATED RECEIPTS 666
2006	(\$200,000)	\$20,000	(\$20,000)
2007	(\$200,000)	\$20,000	(\$20,000)
2008	(\$200,000)	\$20,000	(\$20,000)
2009	(\$200,000)	\$20,000	(\$20,000)
2010	(\$200,000)	\$20,000	(\$20,000)

Fiscal Analysis

The provisions of the bill would amend the Transportation Code by including assistance with "equipment" of not more than \$200,000 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 \$200,000 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, including not more than \$200,000 worth of equipment, which is less than TxDOT sells annually in surplus property. For the purposes of this analysis, it is assumed that TxDOT would provide the maximum allowable amount of equipment to counties.

According to TBPC, the revenue loss to Appropriated Receipts reflects the loss of the 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: 303 Building and Procurement Commission, 601 Department of Transportation, 302 Office of the Attorney General, 304 Comptroller of Public Accounts

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