

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 6, 2005

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

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

IN RE: SB1131 by Hinojosa (Relating to the conveyance of a ferry by the Texas Department of Transportation to certain counties and local government corporations.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Transportation Code to authorize the Texas Department of Transportation (TxDOT) to convey a ferry to certain counties or an incorporated local government corporation. The county or an incorporated local government corporation may temporarily charge a toll for use of the conveyed ferry to pay the costs necessary for an expansion of the ferry and may permanently charge a toll for use of ferry facilities that are an expansion of the ferry conveyed.

TxDOT states that it is aware that Nueces County is interested in taking on the operations and maintenance of the ferry system at Port Aransas. This analysis assumes that the ferry system at Port Aransas would be conveyed to Nueces County based on the analysis of TxDOT.

It is estimated that there would be savings from a reduction of 61 FTEs associated with the conveyance of the ferry system at Port Aransas and \$3,461,198 in related annual salary and benefit savings from State Highway Fund 06. TxDOT estimates that it would save \$4,381,096 million in operating expenses in fiscal year 2006 and \$4,468,718 in fiscal year 2007 from State Highway Fund 06 because it would no longer need to operate and maintain the ferry system at Port Aransas. Fiscal year 2005 operating budget figures were used as the basis for the fiscal year 2006, and costs were increased by 2 percent per year thereafter.

TxDOT also reports a savings of \$3.7 million from State Highway Fund 06 in planned capital improvements annually for fiscal years 2006 and 2007 because TxDOT would not pay for the construction of two new landings on each side of the ferry system and for bulkhead replacements. TxDOT would also save \$18 million from State Highway Fund 06 because TxDOT would not have to pay for planned capital improvements with the purchase of six new ferries at Port Aransas.

It is assumed that any savings achieved from the conveyance of ferries to local entities would be spent on other transportation related projects by TxDOT and would therefore not have a significant fiscal impact.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2005.

Local Government Impact

Costs to local governmental entities for participating in the promotion, facilitation, development and improvement of a ferry in this state would depend on the size of the local entity, the size and type of

the projects that are constructed, and the types of services offered. It is assumed that a local entity would agree to accept the terms of a conveyance only if sufficient funding was available.

Source Agencies: 601 Department of Transportation

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