

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

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

**April 13, 2005**

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

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

**IN RE: SB1706** by Staples (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**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1706, As Introduced: a negative impact of (\$1,900,000) 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	(\$1,150,000)
2007	(\$750,000)
2008	\$0
2009	\$0
2010	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>STATE HIGHWAY FUND</i> 6
2006	(\$1,150,000)	\$1,150,000
2007	(\$750,000)	\$750,000
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0

**Fiscal Analysis**

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.

This bill would authorize TxDOT 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 Transportation Commission 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.

The bill would require utilities to pay for the cost of relocating their facilities to accommodate a toll project unless the utility has a property interest or the toll project was in development prior to September 1, 2005.

The bill would authorize TxDOT, a regional mobility authority, a regional tollway authority, or a county acting under Chapter 284 to enter into an agreement for the payment of pass-through tolls for the payment 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 authorize TxDOT to enter into a Comprehensive Development Agreement for non-toll highway projects.

The bill would specify that, 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, toll revenue collected or received by TxDOT be deposited in the State Highway Fund.

This bill would specify that TxDOT would operate the existing aircraft pool for the custody, control, operation, and maintenance of all aircraft owned or leased by the state. The bill would amend Section 2205.040, Government Code, to require TxDOT to adopt rates for interagency aircraft services sufficient to recover all direct costs for the services provided. The bill would require that TxDOT deposit all revenue received under this provision to the credit of the State Highway Fund, including proceeds from the sale of surplus and salvage property formerly belonging to the State Aircraft Pooling Board.

The bill would repeal Section 222.103(h), Transportation Code, which establishes an annual limit of \$800 million for money granted each year, by TxDOT, for participation in the cost a toll facility.

This 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.

## **Methodology**

Based on information provided by TxDOT, it is assumed two surplus aircraft would be sold in fiscal year 2006 and one in fiscal year 2007. Proceeds from the sale of these aircraft are estimated to be \$1,150,000 in fiscal year 2006 and \$750,000 in fiscal year 2007, which would be deposited to the State Highway Fund. Under current law, these proceeds would be deposited in the General Revenue Fund to the credit of the State Aircraft Pooling Board.

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. The table above 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.

The table above also 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 county and converted to a toll facility because it is assumed any such revenues would be utilized for other transportation related purposes.

### **Local Government Impact**

It is assumed that costs to local governments 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, bonds, donations, or other sources.

**Source Agencies:** 304 Comptroller of Public Accounts, 405 Department of Public Safety, 601 Department of Transportation, 802 Parks and Wildlife Department

**LBB Staff:** JOB, SR, MW, TG, KJG