

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

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

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

IN RE: SB668 by Watson (Relating to the operation, powers, and duties of a toll project entity.),
Committee Report 2nd House, Substituted

The fiscal implications to the State cannot be determined.

The bill would amend the Transportation Code to include provisions and financial reporting requirements for governing boards of toll project entities, including regional mobility authorities, regional tollway authorities, certain counties, and the Texas Department of Transportation (TxDOT). The bill would require a toll project entity to reimburse a local government for any money contributed to a toll project operated by the entity unless the money is from bond proceeds approved by the voters of the local government or the governing body of the local government voted publicly to approve or ratify the financing or use of money for the toll project. The bill would require a toll project entity to obtain the approval of the appropriate metropolitan planning organization before the entity may lease, sell, or convey in another manner a toll project or contract with a private participant to operate and collect revenue from a project in exchange for a share of toll revenues from the project. The bill would require a toll project entity to report to the policy board of the applicable metropolitan planning organization before it may increase tolls; refinance a project; continue tolling after the discharge of bond indebtedness of a project unless the tolls are imposed to pay for maintenance and operation of the project; or spend surplus revenue from a project on other transportation projects.

TxDOT indicates that the provisions of the bill regarding the reimbursement of money pledged by a local government for a toll project could have a negative impact to state and local tolling entities since many regional toll projects require state and local subsidies in the form of cash and/or right-of-way in order to be built. The fiscal impact of the bill would depend on the number of tolling projects provided pledges of local money and the amount of pledged money that was neither approved by a local bond election or by a public vote of a local governing body and, therefore, cannot be determined.

The bill would take effect on September 1, 2007.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 601 Department of Transportation

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