

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 13, 2007

TO: Honorable John Carona, Chair, Senate Committee on Transportation & Homeland Security

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

IN RE: SB719 by Ogden (Relating to prohibiting the Texas Department of Transportation from granting an interest in a state highway to an individual or nongovernmental entity.), **As Introduced**

The fiscal implications to the state cannot be determined.

The bill would amend the Transportation Code to add a provision that would prohibit the Texas Department of Transportation (TxDOT) from granting any interest, including a leasehold interest, in a state highway. The provision would apply only to the agreements entered into after the effective date of the bill.

Based on information provided by TxDOT, it is assumed the provisions of the bill would prohibit the department from entering into concession agreements and certain comprehensive development agreements (CDA). TxDOT indicates that six new toll projects totaling \$8.5 billion in construction costs are currently being developed as potential CDAs that would be financed with private sector toll revenue bonds and capital, and that near-term Trans-Texas Corridor 35 projects represent \$8.8 billion in construction costs with \$1.9 billion in potential concession payments to the state. Under the provisions of the bill, TxDOT would be required to finance these projects using state resources. The fiscal implications to the state would depend on the number of potential CDA projects and concession agreements that could be implemented under current law but would be prohibited as a result of the enactment of the bill and, therefore, cannot be determined.

The bill would take effect on September 1, 2007.

Local Government Impact

The fiscal implications to local governments cannot be determined.

Source Agencies: 601 Department of Transportation

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