

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

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

IN RE: SB1266 by Brimer (Relating to pass-through financing and the creation and operation of the transportation reinvestment fund.), **As Passed 2nd House**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Transportation Code to require the Texas Transportation Commission to enter into one or more pass-through toll agreements with public or private entities that provide reimbursement for the design, development, financing, construction, maintenance, and operation of transportation facilities in a total amount that is not less than the yearly average of the total amount of such agreements in effect before September 1, 2007. This provision would expire on September 1, 2009.

The bill would amend the Transportation Code to authorize municipalities and counties that intend to enter into a pass-through toll agreement with the Texas Department of Transportation (TxDOT) to establish transportation reinvestment zones and a local ad valorem tax increment account for the zone to fund a project or repay amounts owed under a pass-through toll agreement.

Based on the analysis of TxDOT, it is assumed the bill would require the department to enter into approximately \$254 million worth of pass-through agreements in fiscal year 2008 and 2009. The timing and the amount of pass-through payments from TxDOT would vary by agreement. It is assumed TxDOT would reallocate existing resources to implement the provisions of the bill.

The bill would take effect on September 1, 2007.

Local Government Impact

Although the bill would require local governments to issue debt related to a pass-through toll agreement, because the local governmental entity would be authorized to establish a transportation reinvestment zone to pay for transportation projects that would subsequently be paid back in part by the state, it is assumed that most costs would be offset by taxes collected on property in the zone.

Source Agencies: 601 Department of Transportation

LBB Staff: JOB, DB, MW, TG