

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 26, 2007**

**TO:** Honorable David Dewhurst , Lieutenant Governor, Senate  
Honorable Tom Craddick, Speaker of the House, House of Representatives

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

**IN RE: SB1266** by Brimer (Relating to pass-through financing and the designation and operation of transportation reinvestment zones.), **Conference Committee Report**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Transportation Code to stipulate that, unless there is an insufficient number of approved proposals for projects to be developed under an agreement providing for the payment of pass-through tolls in any state fiscal year that begins on or after September 1, 2007, the amount the Texas Department of Transportation (TxDOT) agrees to pay under the agreement as reimbursement to a public or private entity for project costs may not be less than the yearly average of the amounts from the date of the creation by the Texas Transportation Commission of the pass-through toll program. 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 TxDOT to establish transportation reinvestment zones and an ad valorem tax increment account for the zone to fund a project or repay amounts owed under a pass-through toll agreement. The bill provides requirements for establishing a transportation reinvestment zone and stipulates when the zone would be terminated.

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

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