

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 9, 2007

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

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

IN RE: SB1267 by Nichols (Relating to a moratorium on the inclusion of certain provisions in a comprehensive development agreement or the sale of a toll project and to the creation and duties of a study committee.), **Committee Report 1st House, Substituted**

The fiscal implications to the State cannot be determined.

The bill would amend the Transportation Code to impose a two-year moratorium on certain provisions in contracts between a private entity and a toll project entity, including the Texas Department of Transportation (TxDOT), a regional tollway authority, a regional mobility authority, or a county. The bill would specify that a toll project entity could not enter into a comprehensive development agreement (CDA) containing a provision permitting a private participant to operate and collect revenue from a toll project or enter into a contract to sell a toll project to a private entity. The bill would provide exemptions for certain CDAs. The bill would create a legislative study committee to study the public policy implications of such agreements with private participants and submit a written report of the committee's findings to the Governor, Lieutenant Governor, and the Speaker of the House of Representatives. The committee would be abolished on December 31, 2008. The provisions of the bill would expire on September 1, 2009.

TxDOT indicates that the bill would delay the development and procurement of several proposed CDA projects totaling \$1.3 billion and delay the receipt of any associated concession fees to the state until fiscal year 2010 or later. Based on the information provided by TxDOT, it is assumed any 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 delayed or prohibited as a result of the enactment of the bill and, therefore, cannot be determined.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2007.

Local Government Impact

A regional tollway authority, regional mobility authority, or a county that implements the provisions of the bill may have additional costs to construct a toll project if the ability to contract with private participants is restricted. However, these costs would depend on the size of the constructing entity and the size and type of the projects that are constructed.

Source Agencies: 601 Department of Transportation

LBB Staff: JOB, KJG, MW, TG