LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 3, 2007

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

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

IN RE: **SB1808** by Brimer (Relating to the creation, powers, and funding of the Metroplex Area Mobility Authority and to requiring the Dallas-Fort Worth Metroplex to be included in a single Texas Department of Transportation district; authorizing a tax.), **As Introduced**

Depending upon what taxes and tax rates the newly created Metroplex Area Mobility Authority may impose, the fiscal impact to the state cannot be determined at this time.

The bill would amend Section 201.105(b), Transportation Code, to require the Texas Department of Transportation (TxDOT), not later than January 1, 2008, to create a single transportation district that includes these counties: Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise. The bill would add Chapter 371 to Subtitle G, Title 6 of the Transportation Code to require the Texas Transportation Commission (TTC) to create the Metroplex Area Mobility Authority (MAMA/authority) in the counties that comprise the single transportation district identified in Section 201.105(b).

On the date on which a majority of the initial board of directors has been appointed, all assets, rights, and obligations of the Dallas Area Rapid Transit (DART), the Fort Worth Transportation Authority, and the Denton County Transportation Authority that pertain to or are associated with a light rail mass transit system would be transferred to the MAMA. The authority would assume and become liable for all duties and obligations of those transportation authorities that relate to a light rail mass transit system. Associated employees of DART, the Fort Worth Transportation Authority, and the Denton County Transportation Authority would become employees of the MAMA.

On a date agreed to by the MAMA board of directors and the North Texas Tollway Authority (NTTA) board of directors, but not later than the second anniversary of the date that a majority of the initial board of directors of the MAMA have been appointed, the NTTA would be abolished and the MAMA shall succeed to all assets, rights, and other property of the NTTA, as well as become liable for its duties and obligations. NTTA employees would become MAMA employees.

The bill stipulates the powers, duties, administration, and funding for the Metroplex Area Mobility Authority and the related responsibilities of TxDOT and the TTC. Included in funding would be imposition of reasonable fees and other charges on a railroad company operating in the authority's territory and imposition of a fuel sales tax at a rate of up to 6.25 percent on gasoline and diesel fuel sold in the territory to propel vehicles on the public highways of Texas, if the tax is approved at an election. On a quarterly basis, the authority must transfer one-fourth of the fuel sales taxes collected by the authority to the Comptroller of Public Accounts for deposit to the credit of the available school fund. The authority would also be authorized to establish a sales and use tax of no more than 0.25 percent, consistent (with some exceptions) with Chapter 323 of the Tax Code.

The bill would add Section 162.506 to Subchapter F, Chapter 162 of the Tax Code to require the comptroller on or before the 15th day of each month to calculate fuel consumption in the authority's territory and make a payment to the authority in an amount equal to 85 percent from money deposited to the credit of the State Highway Fund.

The Texas Department of Transportation reports that the change in how gasoline taxes would be calculated for the new authority could result in having to establish new funding formulas statewide. TxDOT reports that the affects of projects on federal funding would have to be evaluated on a project by project basis.

The Comptroller of Public Accounts indicates that because it is unknown if the new authority would adopt the local sales and use taxes and at what rate the motor fuels sales tax, if adopted, might be set, an estimate of the fiscal impact cannot be determined. However, as an illustrative example, the comptroller assumed a local sales and use tax levied at 0.25 percent would be expected to generate approximately $218.6 million during a full year. A local fuel sales tax imposed at a rate of 6.25 percent could generate approximately $471.6 million during a full year. Of that amount, approximately $353.7 million would accrue to the authority, the remaining $117.9 million would be a gain to the Available School Fund. The change in allocation of the taxes under Chapter 162 would result in a gain to the authority of approximately $491.3 million and a corresponding loss to the State Highway Fund.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Local Government Impact

The existing authorities would experience a loss in assets transferred to the new authority; however, those authorities would also no longer have the duties and obligations that would be transferred to the new authority. It is assumed that the new authority would seek to fully utilize funding options and to gain voter approval for the imposition of taxes necessary to offset costs.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation

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