

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 17, 2009

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

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

IN RE: HB9 by Truitt (Relating to local options regarding transportation and mobility improvement projects in certain counties.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would add Chapter 446 to the Local Government Code to authorize certain counties to call an election to impose a tax and/or fees to produce local revenue for mobility or transportation improvement projects, including passenger rail, transit, roadway, and freight rail projects.

The bill would allow local option revenue alternatives such as a county motor fuel tax of up to 10 cents per gallon that could be adjusted for inflation; a mobility improvement fee not to exceed \$60; a parking regulation and management fee of \$1 per hour per parking space; a motor vehicle emissions fee, not to exceed \$15; a driver's license renewal fee of \$25; and a new resident roadway impact fee not to exceed \$250.

The county commissioners court would provide the funding for a mobility or transportation improvement project, but only if the project is determined to be necessary and appropriate by the metropolitan planning organization. Revenues from the optional tax or fees would be deposited into a local option transportation fund, and that fund could be used for building transportation improvement projects, for funding bonds used to construct transportation improvement projects, or to fund contracts with parties providing transportation services.

The Texas Department of Transportation (TxDOT) would be prohibited from reducing the funding of transportation projects in a county that receives local funding under this chapter.

The bill would take effect January 1, 2010.

According to information provided by the Department of Public Safety, it is assumed that costs associated with programming to adjust for a new driver's license renewal fee could be absorbed within existing resources.

According to TxDOT, the proposed changes, depending on which methods of funding a county would approve at an election, would require the agency to make program changes to its automated systems, send notifications to the applicable county tax assessor-collector(s), revise applicable publications, and to update the agency's website. It is assumed any associated costs could be absorbed within existing resources.

Local Government Impact

A county would initially incur costs associated with calling an election. If the voters approve the proposal(s), the revenue gain to an applicable county would vary depending on which method of funding is approved. As an example, TxDOT, assuming an imposition of a mobility improvement fee of up to \$60 and a new resident roadway impact fee of up to \$250 along with a new resident tax of \$90 in Dallas and Tarrant counties would result in a revenue gain of \$673 million to the counties during the first five-years of implementation.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 601 Department of Transportation

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