

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 8, 2011

TO: Honorable Larry Phillips, Chair, House Committee on Transportation

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

IN RE: HB981 by Guillen (Relating to the creation of local mobility credit programs.), **As Introduced**

The fiscal implications to the State would depend on the amount local mobility credits authorized, the number and total costs of approved projects towards which the credits would be applied, and the amount of State funds required to support project costs for which the local mobility credits have been pledged by a local planning entity.

The bill would amend the Transportation Code to authorize the creation of a local mobility credit program. The bill would allow a planning entity, including a metropolitan planning organization (MPO), rural planning organization (RPO), or a district of the Texas Department of Transportation (TxDOT) for an area not served by an MPO or RPO, to create a local mobility credit program on approval by the Texas Transportation Commission (TTC). Under the program, a planning entity could accumulate excess local share credits for local contributions to the cost of federally-funded transportation projects in their jurisdictions that exceed the contributions required by TTC. The bill would authorize the planning entity to use the credits to fulfill the local share requirement for qualified mobility projects (as defined by the bill) within the entity's jurisdiction. The bill would require TxDOT to submit a biennial report regarding the local mobility program to the Legislature and the chairs of the House and Senate committees that have jurisdiction over transportation issues. The bill would require TTC to create and appoint a rulemaking advisory committee to consider and recommend to TTC rules to administer local mobility credit programs. The bill would require TTC to propose rules for the administration of the program.

Based on the information provided by TxDOT, it is assumed any costs associated with rulemaking for and administration of the program could be absorbed within the agency's existing resources. The bill does not identify a source of funding to pay for project costs for which a planning entity elects to use its local mobility credits in lieu of local funds to fulfill local matching requirements for a federal-aid project. For the purposes of this analysis, it is assumed state funds would be required to provide any amount of funding necessary to fulfill the federal matching requirements for a qualified mobility project under the provisions of the bill. The fiscal impact to the state would depend on the amount local mobility credits authorized and the number and total costs of approved projects towards which the credits would be applied.

Local Government Impact

The bill would benefit local governments and planning entities by allowing them to receive credit for contributions in excess of the local share requirement necessary for federally financed projects, including qualified land value and transportation development credits. Fiscal impact would vary depending on the level of funding in excess of the federal requirement by a given local government, cost of approved projects towards which credits would be applied, and the specific details of how the bill would be implemented with regards to the process by which credits would be used for project funding.

Source Agencies: 601 Department of Transportation

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