

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 20, 2011**

**TO:** Honorable Jim Pitts, Chair, House Committee on Appropriations

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

**IN RE: HB1415** by Chisum (Relating to county road materials.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1415, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>State Highway Fund</i> 6
2012	(\$18,000,000)
2013	(\$18,000,000)
2014	(\$18,000,000)
2015	(\$18,000,000)
2016	(\$18,000,000)

**Fiscal Analysis**

The bill would amend Section 201.706 of the Transportation Code to increase from \$6 million to \$24 million the minimum annual value of materials Texas Department of Transportation (TxDOT) is required to provide to counties to assist in the repair and maintenance of county roads. The bill would take effect on September 1, 2011.

**Methodology**

The bill would increase the minimum annual value of road materials TxDOT would be required to provide to the counties by \$18 million in each fiscal year.

TxDOT states that surplus materials and reclaimed asphaltic pavement (RAP) are currently provided to counties to fulfill the requirements of Section 201.706, Transportation Code. Due to limited

maintenance funding in recent years, the agency has also incorporated RAP in state construction and maintenance projects to achieve cost savings, which has resulted in a reduction in the amount of available surplus materials that would otherwise be available to provide the required assistance to the counties.

Based on the information provided by TxDOT, it is assumed the agency would incur up to \$18 million in additional costs each year beginning in fiscal year 2012 in order to maintain the agency's current level of maintenance and repairs to the state highway system and provide the increased amount of assistance to the counties required by the bill. It is assumed costs could be lower depending on the volume of surplus TxDOT materials that may be available to fulfill the county assistance requirements during a fiscal year.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation

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