

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 12, 2011

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

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

IN RE: HB2571 by Martinez, "Mando" (Relating to the purposes and designation of transportation reinvestment zones.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would add Section 222.108 to Chapter 222 of the Transportation Code to authorize a municipality or a county, notwithstanding other subsections, to establish a transportation zone to provide commuter rail service in counties adjacent to the Texas-Mexico border and from the Rio Grande Valley to San Antonio. If all or part of a transportation project in the zone is subject to oversight by the Texas Department of Transportation (TxDOT), TxDOT would be required, at the option of the governing body of the municipality, the county or TxDOT to delegate full responsibility for the development, design, letting of bids, and construction of the project, including project oversight and inspection to the municipality or county provided that the Transportation Commission or TxDOT may take any action in its reasonable judgment necessary to comply with any federal requirement to receive federal-aid highway funds.

This analysis assumes TxDOT or the Transportation Commission, in considering the delegation of authority to a municipality or county for the development of projects authorized by the bill, would exercise the authority granted by the bill to take any action necessary to comply with federal requirements for receiving federal-aid highway funds.

Local Government Impact

The bill would authorize a city or a county to establish a reinvestment zone to provide commuter rail services in counties adjacent to the Texas-Mexico border and from the Rio Grande Valley to San Antonio. The fiscal impact of implementing the proposed requirements for use of tax increments in a transportation reinvestment zone would vary depending on the projects to be funded. Regarding change in eligibility to create a transportation reinvestment zone, it is assumed that a municipality or a county would designate a transportation reinvestment zone and undertake a transportation project only if there were sufficient resources available or the net fiscal impact would be positive.

Source Agencies: 601 Department of Transportation

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