

**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: HB2884** by Solomons (Relating to coordinated county transportation authorities; creating an offense.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 460 of the Transportation Code relating to coordinated county transportation authorities and would create a misdemeanor offense punishable by a fine not to exceed \$100 for non-payment of a transportation fare. The bill would authorize a service plan to be implemented in an area of the county participating in the authority only if the authorization of a tax levy is approved by a majority of votes.

The bill would specify procedures and processes for the board of an authority, including fare officers eligibility requirements to enforce fare collections. The bill would increase the aggregate amount from \$25,000 or less to \$50,000 or less that a board of directors could negotiate a contract for without competitive sealed bids or proposals.

The bill would add Subchapter I to Chapter 460 to include the definition of "tax increment" as the amount of revenue generated from ad valorem taxes or from sales and use taxes imposed by a municipality under Section 321.101(a) of the Tax Code, that are attributable to a public transportation financing area (PTFA) designated under this subchapter that exceeds the amount attributable to the area for the year in which the area was designated. The bill would authorize the governing body of a municipality to designate a contiguous geographic area within the municipality to be a PTFA. The governing body must establish a tax increment account and maintain the account as a fiduciary of the municipality for the allowable sources for a tax increment (ad valorem or sales and use tax) and determine the allowable uses of account deposits. Prior to spending the account revenue, the governing body would be required to enter into an agreement with the Comptroller to authorize and direct the Comptroller to manage the account. The bill specifies procedures and requirements of an authority and a municipality, including the allowable uses for surplus tax increment payment amounts and the requirements for terminating a PTFA.

The Comptroller of Public Accounts reported there would be no administrative costs to implement the provisions of the bill.

Based on the applicability criteria, the bill would only apply to the Denton County Transportation Authority.

**Local Government Impact**

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KJG, TP