

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 8, 2011

TO: Honorable Tommy Williams, Chair, Senate Committee on Transportation & Homeland Security

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

IN RE: SB363 by Ogden (Relating to the cessation of tolls by toll project entities in certain circumstances.), **As Introduced**

No significant fiscal implication to the State is anticipated in the current or upcoming fiscal biennium. However, it is assumed the state could incur significant additional costs for the maintenance of former toll projects that are placed on the state highway system pursuant to the provisions of the bill.

The bill would amend the Transportation Code to remove provisions authorizing the use of surplus toll project or toll system revenue by the Texas Department of Transportation (TxDOT) and certain local toll project entities to pay for the costs of another project. The bill would amend the Transportation Code to specify that a toll project would become part of the state highway system and require the Texas Transportation Commission to maintain the project without tolls when (1) all costs have been paid for the acquisition and construction of the project; and either (2) all bonds payable from or secured by revenues from the project have been paid by the issuer of the bonds or by another person with the consent or approval of the issuer; or (3) a sufficient amount for the payment of all bonds and interest to maturity has been set aside by the issuer in a trust fund held for the benefit of the bondholders.

TxDOT anticipates that bonds for the Central Texas Turnpike System (CTTS) will be paid off in fiscal year 2042, and at that time state resources would be required for continuing maintenance and operation of the CTTS facilities. Based on the analysis of TxDOT, it is assumed the provisions of the bill would not result in a significant fiscal impact to the state in the current or upcoming state fiscal biennium. However, it is assumed the state would incur significant additional costs to maintain an existing toll facility when the facility's bonds have been retired, toll collection has ceased, and the facility becomes part of the state highway system.

Local Government Impact

The North Texas Tollway Authority (NTTA) reported that the authority's Capital Improvement Fund (CIF) receives funding through surplus toll revenue, and projects currently funded through CIF would need a new funding source if the bill were implemented. Based on the information provided by NTTA, it is assumed lost revenue could be recouped through increased tolls and issuance of bonds and would not present a fiscal impact to local governments.

Source Agencies: 601 Department of Transportation

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