

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 15, 2011

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

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

IN RE: SB971 by Hinojosa (Relating to an emergency public service messaging network.), **As Introduced**

No significant fiscal implication to the State is anticipated, but the state could realize an indeterminate revenue gain from the provisions of the bill.

The bill would amend the Government Code to require the Texas Division of Emergency Management (TDEM) within the Department of Public Safety (DPS) to implement an emergency information network with the cooperation of emergency management directors and the Texas Department of Transportation (TxDOT). TDEM would be required to contract with an entity that would provide an emergency information network comprised of digital displays along certain Texas roadways at no cost to the state. The erection, location, and message content of the digital displays would be governed by state and federal laws. During times when public health or safety messages are not being displayed, the contractor may display commercial digital messages and charge and retain the prevailing market rate. The bill would require TDEM to coordinate and adopt standards for the emergency information network. The bill would take effect September 1, 2011.

This analysis assumes that DPS and TxDOT could implement the provisions of the bill within existing appropriations. The bill would require the contractor to pay 2.5 percent of the gross revenue generated from each digital display each year to the Comptroller of Public Accounts (CPA) for deposit in the General Revenue Fund, and to the municipality where a digital display is located. The bill is unclear whether the 2.5 percent of gross revenue would be split between the CPA and a given municipality, or if there would be 2.5 percent of gross revenue distributed to CPA and the municipality each. The CPA indicates the bill's fiscal impact cannot be determined, but the state would likely realize a gain to the General Revenue Fund.

Local Government Impact

During times when public health or safety messages are not being displayed, the contractor may display commercial digital messages and charge and retain the prevailing market rate, with a percentage of the gross revenue generated from each digital display going to the municipality in which a digital display is located.

Revenue gains to municipalities would vary depending on the number of digital displays in a given municipality and the market rate for advertisement space at a given location at the time of contracting.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 601 Department of Transportation

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