

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 18, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1485 by Lavender (Relating to money allocated under the federal-aid highway program.), **As Introduced**

As there is no Federal provision allowing the action contemplated by the legislation, the fiscal implications of the bill cannot be determined at this time.

The bill would require the Governor, to the extent permitted by federal law, to waive the state's right to receive money allocated under the federal-aid highway program and instead elect to receive an allocation from the portion of taxes appropriated to the federal Highway Trust Fund that is attributable to highway users in Texas, as calculated by federal law permitting the waiver and election. The bill would direct the Comptroller to conduct a study of how the state might benefit from withdrawing from the federal-aid highway program and submit a report summarizing the study to the Legislature not later than January 1, 2015.

Provisions of the bill would require the Governor to waive the state's right to participate in the federal-aid highway funding allocation program and instead receive a lump sum of funding appropriated to the federal Highway Trust Fund equal to the amount of motor fuel taxes collected from highway users in Texas. The Federal Highway Administration estimated that Texas' motor fuels and related receipts net contribution to the federal Highway Trust Fund for fiscal year 2011 was \$3.1 billion. For fiscal year 2011, Texas' allocation from the federal-aid highway program was approximately \$3.3 billion. Because no current federal provision exists to permit the state to elect to receive funding in the manner described by the bill, the amount of funding that the state may receive if the Governor waived the right to participate in federal-aid highway program cannot be estimated.

The Comptroller's office indicated that costs would be incurred in conducting the study required by the bill. It is anticipated that these costs could be absorbed within existing resources.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 301 Office of the Governor, 304 Comptroller of Public Accounts, 601 Department of Transportation

LBB Staff: UP, AG, MH, GD