

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: HB2101 by Guillen (Relating to maintenance and operation of travel information centers by the Texas Department of Transportation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2101, As Introduced: a negative impact of (\$7,000,000) through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013 and the first scenario is implemented; or an impact of \$0 through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013 and another scenario proposed in the bill is implemented.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Hotel Occup Tax Deposit Acc</i> 5003	Probable Savings/(Cost) from <i>State Highway Fund</i> 6
2014	(\$3,500,000)	\$3,500,000
2015	(\$3,500,000)	\$3,500,000
2016	(\$3,500,000)	\$3,500,000
2017	(\$3,500,000)	\$3,500,000
2018	(\$3,500,000)	\$3,500,000

The table above assumes hotel occupancy tax revenues would be used in lieu of State Highway Funds for travel information center operations. The table below assumes travel information center operations would be transferred to a local government, private, or nonprofit entity, and that the Texas Department of Transportation would need one fiscal year to complete the transfer.

Fiscal Year	Probable Savings from State Highway Fund 6	Change in Number of State Employees from FY 2013
2014	\$0	0.0
2015	\$3,500,000	(61.0)
2016	\$3,500,000	(61.0)
2017	\$3,500,000	(61.0)
2018	\$3,500,000	(61.0)

Fiscal Analysis

This bill would implement recommendations in the report "Evaluate the Benefits of and Limit the Use of State Highway Funds for Travel Information Centers" in the Legislative Budget Board's Government Effectiveness and Efficiency Report submitted to the Eighty-third Texas Legislature, 2013.

The bill would remove the operation of travel information centers from the list of costs for which the Texas Department of Transportation (TxDOT) may use highway revenues, unless the center is operated as an unstaffed rest area. The bill would authorize a portion of revenue derived from the hotel occupancy tax currently designated for media advertising and other marketing activities of the Texas Economic Development and Tourism Office to be used for the operation of travel information centers by TxDOT. The bill would authorize TxDOT to transfer operation of a travel information center to a local government, private, or nonprofit entity. If a local government, private, or nonprofit entity does not assume operation of center, the bill would authorize TxDOT to operate a travel information center as a rest area without staff. The bill would authorize TxDOT to set rates for commercial advertising space and other services available at a travel information center at a level that generates receipts to cover the cost of travel information center operations.

Methodology

All the options that would be allowed under the provisions of this bill assume TxDOT would continue to spend State Highway Funds to maintain the travel information centers. According to TxDOT, operations include items such as salaries, janitorial services, consumable supplies, in-state travel, and uniforms. TxDOT reports transferring travel information center operations would save \$3.5 million per fiscal year in State Highway Funds.

The amount of State Highway Fund revenue that would be generated and authorized for use in funding travel information center operations as the result of selling commercial advertising space or setting rates for other services cannot be determined at this time. The amount of revenue would depend upon the retail activities at the centers, the structure of any programs charging for services, and changes made to current operations.

Local Government Impact

The local fiscal implications of the bill cannot be determined at this time because the impact on a unit of local government would depend upon any agreement reached between TxDOT and one of

the 11 municipalities in which a travel information center would be authorized to be transferred. According to TxDOT, the annual cost of duties and responsibilities associated with operating the travel information centers that would be eligible to be transferred would range from \$300,000 to \$375,000 per center.

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

LBB Staff: UP, AG, JI, MMe