

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 3, 2013

TO: Honorable Jim Keffer, Chair, House Committee on Energy Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2300** by Keffer (Relating to the creation of County Energy Transportation Reinvestment zones.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 222 of the Transportation Code relating to the creation of County Energy Transportation Reinvestment Zones. The commissioners court of a county, after determining that an area is affected by oil and gas exploration and production activities and would benefit from funding provided under Chapter 256, Subchapter C, Transportation Code, may designate a contiguous geographic area in the jurisdiction of the county to be a transportation reinvestment zone (TRZ) to promote a transportation project. A county may form a TRZ in conjunction with another county or counties provided each county meets all procedural requirements for establishment of such a zone.

The bill would authorize the county commissioners to pay an amount equal to the tax increment produced by the county into a tax increment account less any amounts allocated under previous agreements to construct or maintain roads in the zone or to pay for the principal and interest on bonds. The county commissioners could define the “sales tax base” for the reinvestment zone and deposit the proportion of the amount of local sales tax revenue above the “sales tax base” to the tax increment account.

The bill would establish requirements regarding a board of directors for the zone; and for the creation of a Road Utility District (RUD). The provision proposes that the county pledge the tax increment funds directly to an RUD that would then have the authority to manage the financing of the transportation project, including bonding authority. The county commissioners would be authorized to accept donations of labor, money or other property to aid in the building or maintaining of roads in the county or counties.

According to the Comptroller of Public Accounts, the provisions of the bill would have no fiscal impact on state revenues or on the state.

According to the Texas Department of Transportation (TxDOT), the provisions of the bill would have no fiscal impact to TxDOT or the State Highway Fund.

Local Government Impact

There could be a positive fiscal impact to counties that established a transportation reinvestment

zone to generate additional revenue; however, the amounts would vary depending on whether a TRZ was created, the amount of additional revenue generated and the number of state transportation projects in a locality. In addition, the additional revenue would offset some of the costs for a transportation project.

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

LBB Staff: UP, SD, TP, KK, TG