

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**March 3, 2015**

**TO:** Honorable Susan Lewis King, Chair, House Committee on Defense & Veterans' Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB894** by Miller, Rick (Relating to waiver programs for veterans provided by toll project entities.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB894, As Introduced: a negative impact of (\$6,400,000) through the biennium ending August 31, 2017.

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

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2016	(\$3,200,000)
2017	(\$3,200,000)
2018	(\$3,200,000)
2019	(\$3,200,000)
2020	(\$3,200,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>
	<b>1</b>
2016	(\$3,200,000)
2017	(\$3,200,000)
2018	(\$3,200,000)
2019	(\$3,200,000)
2020	(\$3,200,000)

**Fiscal Analysis**

The bill would amend Section 372.053, Transportation Code, to require rather than authorize a toll project entity to establish a waiver program that provides free use of the entity's toll project by an electronic toll collection customer whose account relates to a vehicle registered with specialty license plates for veterans with disabilities and various other specialty license plates for the

military. The bill would require a toll project entity to provide to all other toll project entities the program participant customer information necessary for the customer to participate in the entities' waiver programs.

The bill would take effect on September 1, 2015.

### **Methodology**

Current law permits toll project entities (including the Texas Department of Transportation, a regional mobility authority, a regional toll road authority, and a county toll road authority) to offer a program offering free or discounted use of the entities' toll projects to electronic toll collection customers whose accounts related to vehicles registered with Disabled Veterans (DV), Legion of Valor, or Purple Heart specialty plates. The provisions of the bill would require toll project entities to establish a veterans toll waiver program offering free use of toll projects to electronic toll collection customers whose accounts relate to vehicles registered with DV specialty license plates and expands program eligibility for vehicles registered with any military specialty plates issued under Subchapter D, Chapter 504, Transportation Code.

The Texas Department of Transportation (TxDOT) currently offers a veterans waiver program on toll roads operated by TxDOT for vehicles actively registered with the State of Texas and displaying a Disabled Veteran, Purple Heart, or Legion of Valor specialty license plate, as authorized under current law. TxDOT estimates the revenue loss associated with the current program will be \$2.4 million in fiscal year 2016. Based on information obtained from the Department of Motor Vehicles, TxDOT estimates the provisions of the bill would increase the number of eligible registered vehicles by approximately 34 percent, resulting in an estimated revenue loss of \$3.2 million as a result of implementing a toll waiver program under the provisions of the bill.

Section 372.053 (b) of the Transportation Code authorizes the Legislature to appropriate General Revenue Funds to defray a toll project entity's costs of providing a veterans toll waiver program. Based on the information provided by TxDOT above, it is assumed there would be a cost to General Revenue Funds to defray the revenue reduction and allow TxDOT to maintain requirements under existing bond covenants. Based on analysis provided by the regional mobility authorities and the North Texas Tollway Authority (local toll project entities), revenue loss for all local toll project entities would result in an additional cost of up to \$16 million annually (cost not included in the table above). Actions of local toll authorities with respect to this bill cannot be predicted; local authorities do also have bond covenants that would need to be maintained.

This analysis does not include estimates for changes in the number of eligible registered vehicles from year to year or changes in toll road usage by eligible individuals due to the expanded toll waiver program required by the bill.

### **Local Government Impact**

The bill would require a local toll project entity to offer free use of the entity's toll projects for vehicles registered with the applicable military license plates. There would be revenue lost for local toll project entities that already offer programs for discounted or free use of the toll roads. This revenue lost is expected to be insignificant. For entities that do not offer such programs, there would be implementation costs as well as revenue lost for the program. Costs and revenue losses associated with toll roads that do not have a program already established are expected to be moderate to significant.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** UP, FR, NV, TG, EK