

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 21, 2015

TO: Honorable Carol Alvarado, Chair, House Committee on Urban Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3984 by Romero, Jr. (Relating to the imposition of municipal impact fees.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time. The revenue to the state would depend on each capital improvement project and the amount remitted by each municipality.

The bill would amend the Chapter 395 of the Local Government Code, relating to financing capital improvements required by new development, to require a municipality to assess and collect an impact fee for new development in the municipality in an amount per service unit that is not less than the total of 20 percent of the maximum amount allowed under Section 395.015 and 5 percent of the per service unit cost of any projected roadway facility capital improvements that are the responsibility of the Texas Department of Transportation (TxDOT). The bill would require a municipality to remit monthly to TxDOT an amount equal to the fee revenue a municipality receives related to the per service unit cost of projected roadway facility capital improvements. The bill would require TxDOT to hold money received in a special account to be used only for the improvements identified in the capital improvement plans.

The Comptroller's office indicates that revenue collections by municipalities from the required impact fees and amounts remitted to TxDOT cannot be determined at this time. It is assumed implementation of the bill would result in an indeterminate positive impact to state revenue and an increase in the amount of funds available for roadway capital facility improvements that are the responsibility of TxDOT.

Based on the information provided by TxDOT, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within the agency's existing resources.

Note: This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

According to the Texas Municipal League, cities could impose impact fees on new developments and then remit those fees to the Texas Department of Transportation. Cities would incur all the

costs of calculating and collecting the fee which could be significant costs in certain areas that are growingly and experiencing an increase in new development. The costs to municipalities cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation
LBB Staff: UP, KVe, SD, EK, TG