

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 1, 2017

TO: Honorable Geanie W. Morrison, Chair, House Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2276** by Martinez, "Mando" (Relating to an increase in and the use of the fee for permits issued for the movement of oversize or overweight vehicles carrying cargo in Hidalgo County.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2276, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2019.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>State Highway Fund</i> 6
2018	\$2,509,200
2019	\$2,509,200
2020	\$2,509,200
2021	\$2,509,200
2022	\$2,509,200

Fiscal Analysis

The bill would amend Transportation Code Section 623.364 to increase from \$80 to \$200 the maximum fee a regional mobility authority (RMA) may collect for the issuance of permits for the movement of oversize or overweight vehicles carrying cargo on certain roads located in Hidalgo

County. The bill would decrease from 15 percent to 10 percent the amount of permit fees that the RMA may use for administrative costs. The bill would require fees collected in an amount not to exceed five percent to be used to leverage funding from other sources to construct or improve certain road and bridge projects specified by the bill. The bill would take effect on September 1, 2017.

Methodology

The bill would authorize the Hidalgo County Regional Mobility Authority (HCRMA) to charge a fee of up to \$200 for an oversize/overweight trip permit on certain roadways under Subchapter S, Chapter 623 of the Transportation Code. The Texas Department of Transportation (TxDOT) reports that the HCRMA issued 24,600 permits at the current maximum fee of \$80 per trip in fiscal year 2016 (approximately \$1.97 million in fee revenue). Under current law, HCRMA may use 15 percent of the fees collected for administrative costs, and the remainder is to be paid to TxDOT to fund maintenance of certain highways subject to Subchapter S. The bill would decrease the amount that by be used for HCRMA's administrative costs to 10 percent and require that an amount not to exceed five percent of the fees collected is to be used to leverage funding from other sources for road and bridge projects specified in the bill. Based on the information provided by TxDOT, it is assumed HCRMA would retain up to five percent of the fees collected to leverage other funding sources available to the RMA to deliver the specified projects.

For the purposes of this analysis, it is assumed the HCRMA would charge the maximum fee of \$200 authorized by the bill beginning in fiscal year 2018 and issue approximately 24,600 trip permits each fiscal year for a total of \$4,920,000 in permit revenue. It is assumed HCRMA would retain 15 percent (\$738,000), including 10 percent (\$492,000) for administrative costs and 5 percent (\$246,000) to leverage other funds to finance the road and bridge projects specified by the bill, and pay the remainder (85 percent or \$4.2 million) to TxDOT for annual revenue gains of \$442,800 to HCRMA and \$2.5 million to the State Highway Fund beginning in fiscal year 2018.

Local Government Impact

The bill would result in revenue gains of up to \$442,800 each year to the HCRMA.

Source Agencies: 601 Department of Transportation

LBB Staff: UP, AG, EH, TG