

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 7, 2021

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4539 by Cain (Relating to the prohibition of tolls on portions of State Highway 146 and State Highway 99.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Subchapter E, Chapter 228, Transportation Code, to prohibit the Texas Department of Transportation (TxDOT) from charging a toll either directly or indirectly through an agreement with another entity on specific portions of State Highway 146 and State Highway 99. The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2021.

TxDOT reports that the portion of State Highway 99 that would be affected by the bill is currently designated as a toll facility as a segment of the Grand Parkway project. The Grand Parkway Transportation Corporation (GPTC), a public, nonprofit corporation created by the Texas Transportation Commission to finance, build, and operate certain segments of the Grand Parkway, has sold bonds to finance the Grand Parkway project, which are backed by a pledge of toll revenue from the project.

TxDOT reports that implementation of the bill would reduce revenue pledged to pay GPTC bonds issued to finance the project and would be a violation of the GPTC's bond covenants. TxDOT reports that GPTC may be required to borrow money from TxDOT under an existing toll equity loan agreement if the loss of revenue from the affected segment of the Grand Parkway causes GPTC to have insufficient revenue to meet its bond obligations. In the event the GPTC is required to borrow money from TxDOT, it is assumed funding for the loan would be accommodated through the reallocation of TxDOT's existing highway planning and construction funds from other transportation projects.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 601 Department of Transportation

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