

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 5, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3787** by Thompson, Senfronia (relating to dynamic message signs used in certain statewide alert systems.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to require the Texas Department of Transportation (TxDOT) to provide information necessary for certain statewide alert systems through a system of dynamic message signs (DMS) located across the state that are capable of displaying digital images useful in locating a missing individual. The bill would authorize TxDOT to enter into an agreement with a private entity to install or operate the digital DMS and require TxDOT to request permission from the Federal Highway Administration (FHWA). The bill would stipulate that an agreement with the private entity must generate net revenue to the state and reduce the amount of tax revenue needed to install or operate the signs. The bill would authorize TxDOT to accept gifts and grants of money, equipment, or other resources to install and operate the signs. The bill would stipulate that TxDOT is not required to provide statewide alert information capable of being displayed on the digital DMS if TxDOT receives notice from the FHWA that doing so would result in the loss of federal highway funding or other punitive actions taken against the State due to noncompliance with federal laws, regulations, or policies.

Based on the information provided by TxDOT, it is assumed the agency would enter into a contract with a private entity under the provisions of the bill only if the proposed uses of the dynamic message signs would be in compliance with applicable federal laws, regulations, or policies as necessary to avoid the loss of federal highway funding. Pursuant to federal law and regulation, the use of dynamic message signs must comply with the federal Manual on Uniform Traffic Control Devices, which limits the use of the signs to the display of pertinent traffic operational and guidance information and the state alert programs. TxDOT indicates that noncompliance with these federal laws and regulations could result in the withholding of the state's federal highway funding.

This analysis assumes the use of the dynamic message signs under a contract with a private entity under the provisions of the bill would be limited to the display of traffic information and state alert program information and exclude advertising or other noncompliant commercial uses; therefore, it is assumed a contract entered into with a private entity under the provisions of the bill would not result in a significant revenue gain to the State.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 601 Department of Transportation

LBB Staff: JMc, AAL, TG