

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 22, 2025

TO: Honorable Tom Craddick, Chair, House Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB35 by Nichols (relating to the selection, prioritization, construction, and funding of transportation projects.), **Committee Report 2nd House, Substituted**

Because detailed cost information is not available, the cost to the State to implement the bill cannot be determined at this time.

The bill would require the Texas Department of Transportation (TxDOT), in selecting and prioritizing transportation projects, to develop plans, conduct environmental reviews, and propose designs for and construct 19 specific projects. The bill would require TxDOT to ensure that a route on the state highway system between Eagle Pass and Laredo, including Farm-to-Market Roads 1021 and 1472, is sufficiently maintained. The bill would take effect on September 1, 2025.

Information provided by TxDOT indicates that the bill would require the department to develop and construct 20 transportation projects, including nine projects on the state highway system and eleven projects off the state highway system. Of the nine on-system projects specified by the bill, TxDOT has identified a funding gap of approximately \$2.4 billion for eight of the projects and does not have a cost estimate for one of the projects. TxDOT estimates a costs totaling \$0.9 billion for three of the eleven off-system projects and does not have cost estimates for eight of the projects. Because detailed cost information is not available for all specified projects, the cost to the State to implement the provisions of the bill cannot be determined at this time.

Note: Transportation Code, Section 201.703(b) stipulates that state money may not be used exclusively for the construction of a road not on the state highway system. It is assumed financial contributions from federal, local, and/or private funding sources would be required for TxDOT to implement the provisions of the bill. The availability of nonstate funding sources for these purposes is unknown at this time.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time. Pursuant to Transportation Code, Section 201.703(b), it is assumed that a contribution of local funds may be required to implement transportation projects specified by the bill that are not part of the state highway system.

Source Agencies: 601 Department of Transportation

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