

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 28, 2003

TO: Honorable Mike Krusee, Chair, House Committee on Transportation

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3554 by Raymond (Relating to motor vehicle inspection facilities near the border of this state and Mexico.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3554, Committee Report 1st House, Substituted: a negative impact of (\$5,899,700) through the biennium ending August 31, 2005.

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 |
|--------------------|---|
| 2004 | (\$2,243,087) |
| 2005 | (\$3,656,613) |
| 2006 | (\$2,764,390) |
| 2007 | (\$2,764,390) |
| 2008 | (\$2,764,390) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from GENERAL REVENUE FUND 1 | Probable Savings/(Cost) from STATE HIGHWAY FUND 6 | Change in Number of State Employees from FY 2003 |
|--------------------|--|--|---|
| 2004 | (\$2,243,087) | (\$1,849,550) | 32.0 |
| 2005 | (\$3,656,613) | \$0 | 64.0 |
| 2006 | (\$2,764,390) | \$0 | 64.0 |
| 2007 | (\$2,764,390) | \$0 | 64.0 |
| 2008 | (\$2,764,390) | \$0 | 64.0 |

Fiscal Analysis

The bill would amend the Transportation Code by requiring the Department of Transportation (TxDOT) to erect and maintain eight border inspection facilities no farther than 60 miles from the Rio Grande in the Pharr, Laredo, and El Paso districts for the purpose of inspecting motor vehicles after they have been inspected for compliance with federal regulations. The bill would allow a municipality to choose the location of a bridge facility, either within a municipality or its extraterritorial jurisdiction, if the facility would serve a bridge system that has more than 900,000 commercial border crossings during the state fiscal year ending August 31, 2002, and would be located in the municipality. The bill requires the municipality to choose the location within 180 days after the date

TxDOT would make a request for a location, and directs TxDOT to ensure that the construction of the facilities progress equally.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2003.

Methodology

TxDOT reports that efforts are already underway to establish 8 border inspection facilities based on the authority of current law, which includes plans to establish 2 facilities each in the Laredo, El Paso, Pharr, and Brownsville district locations. Based on the number of border crossings established in the bill, TxDOT assumes increased costs would only be realized for one facility location change in Laredo and that the municipality would determine the location for that one facility. TxDOT also estimates that four additional satellite facilities would be required for the Laredo area to inspect all applicable motor vehicles for compliance with the law.

TxDOT estimates that the facilities would take approximately two years to become fully operational and that approximately \$1.8 million in additional Right-of-Way, Design, and Construction costs would be realized in fiscal year 2004 and that this would be offset by a savings of approximately \$1.4 million in fiscal year 2005. It is assumed that facility construction costs would be paid from the State Highway Fund and the savings realized in fiscal year 2005 would be used for other transportation related expenditures during the same fiscal year. It is also assumed the inspection facilities would be staffed by Department of Public Safety (DPS) non-commissioned vehicle inspectors and law enforcement officers. It is estimated in the first year of the construction of these facilities, 32 additional personnel would be necessary (21 inspectors and 11 law enforcement officers) and this number would increase to 64 in subsequent years due to all facilities becoming operational.

Salaries for these personnel are estimated to be approximately \$0.8 million in fiscal year 2004, and \$1.6 million in subsequent fiscal years due to the phasing in of the employees concurrent with the opening of the inspection stations. During the first year of operations, operating costs are estimated to be approximately \$0.4 million, growing to \$0.5 million in fiscal year 2005, and then reducing to \$0.3 million in subsequent fiscal years. Finally, there would be costs related to computer hardware and software, telephone lines, and inspection equipment of approximately \$0.8 million in fiscal year 2004, \$0.9 million in fiscal year 2005, and \$0.3 million in subsequent fiscal years. It is assumed that DPS staff, operations, and equipment costs would be paid from the General Revenue fund.

Technology

It is estimated that approximately \$132,220 each year would be realized during fiscal years 2004 and 2005 for additional computers and printers.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 405 Department of Public Safety, 601 Department of Transportation

LBB Staff: JK, JO, RR, RT, MW